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THE DEAD FLEE — Friends helping a Serb move her husband's body Wednesday from a Sarajevo suburb to be ceded to the government. (Page 6)

Oleg Popov/Reuters

U.S. Plays Down Possibility of Attack On Taiwan by China

Beijing Broke Ban, U.S. Finds

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — U.S. intelligence officials have concluded that China sold sensitive nuclear weapons-related equipment to Pakistan last year, an act that could lead the Clinton administration to halt U.S. government financing for nearly $10 billion in business deals in China.

President Bill Clinton's advisers are studying the intelligence report to determine how they should respond, according to several officials. Legislation approved by Congress in 1994 requires that he either approve the sanctions, which would block loan guarantees by the U.S. Export-Import Bank, or formally waive the penalties.

In a previous arms transfer case, involving the alleged sale of Chinese missiles to Pakistan, the State Department avoided sanctions by concluding that the evidence was not strong enough. A senior State Department official, commenting Tuesday about the new report of nuclear aid to Pakistan, said that "as of now" the United States has not determined that China has "done anything that would trigger sanctions under U.S. legislation."

But several other U.S. officials privy to the new intelligence report said there was no doubt about its conclusions. That could put the administration in a bind because it prefers to avoid damaging extensive U.S. trade ties with China.

The latest Chinese nuclear-related transfer to Pakistan was recently detected by the CIA and first reported publicly in Monday's editions of the Washington Times. It involves a shipment of 5,000 specialized magnets to the Abdul Qadeer Khan Research Laboratory in Kahuta.

According to two officials, the magnets are clearly meant to be installed in high-speed centrifuges at the plant that enrich uranium for nuclear weapons. Several congressional sources said that the shipment thus triggers provisions of the 1994 Nuclear Proliferation Prevention Act, which forces "a cutoff of Export-Import Bank assistance" involving trade with China.

"We do have genuine concerns about any possible nuclear-related transfers between China and

See CHINA, Page 6

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton said Wednesday that he was confident there would be no Chinese military action against Taiwan, and he urged both sides to resolve their recent tensions peacefully.

Asked by reporters about Beijing's threats of an attack should Taipei move toward independence, Mr. Clinton said, "I don't expect that to happen."

The Chinese threats, combined with heightened military activity in the area, have caused jitters in Taiwan, depressing the island's stock market.

Mr. Clinton pointed to the remarkable economic growth in recent years on both sides of the Taiwan Strait, and said he did not believe leaders there would want to endanger that.

And he offered this advice: "I would just urge them to do what they have done, stake out clearly their various political positions but keep trying to work them out peacefully."

Earlier, a senior State Department official testified before Congress that the United States had concluded that China has no immediate plans to attack Taiwan.

But the official, Assistant Secretary of State Winston Lord, warned China not to underestimate U.S. determination. He was testifying before a Senate Foreign Relations subcommittee examining the tensions in the region.

Kurt Campbell, a deputy assistant secretary of defense who also testified, was more blunt, saying that a show of Chinese aggression toward Taiwan "would have very grave consequences."

China's recent saber rattling, Mr. Lord said, is probably intended to influence next month's elections on the island, discouraging those who oppose reunification with the mainland. He predicted that there might be even more shows of military strength in the Taiwan Strait.

The Washington Post reported Monday that U.S. intelligence officials had evidence that China was planning an exceptionally big military exercise in the Strait.

Asked about that at a news briefing Wednesday, Mr. Lord said, "There seem to be some preparations for possible exercises, but it's not definitive."

He told the Senate panel that authorities in Beijing have assured U.S. diplomats in the past few days that they still intended to seek a peaceful resolution of their differences with Taiwan.

Mr. Lord said that while China clearly "wishes its military activities to be noticed, to influence Taiwan's legislative and presidential elections, and to have a restraining effect on Taiwan's international activities, they do not in our judgment reflect an intention to take military action."

He said officials in Taipei had drawn the same conclusion.

The Senate panel convened the hearings on China-Taiwan relations amid reports that the Communist government

See TAIWAN, Page 6

Europe's Dallying Amid Crises Scares Its Critics

By William Drozdiak
Washington Post Service

PARIS — American efforts to defuse the latest confrontation in the Aegean Sea between Greece and Turkey have raised troubling questions about the European Union's continuing failure to resolve security crises in its own backyard.

Even as Europe ponders why it could not stop the war in Bosnia until the United States became engaged, the fact that Greece and Turkey turned to Washington for help in staving off a military conflict over an tiny island populated by a few goats demonstrated the futility of achieving a common foreign policy for the EU's 15 members.

"While President Clinton was on the phone with Athens and Ankara, the Europeans were literally sleeping through the night," said Richard C. Holbrooke, assistant secretary of state for European affairs. "You have to wonder why Europe does not seem capable of taking decisive action in its own theater."

Mr. Holbrooke and other critics of European inaction say such hesitation and disarray could prove dangerously destabilizing when the Western alliance confronts potential future crises, such as the likely return to power of Communists in Russia and plans to extend the domain of the North Atlantic Treaty Organization to Russia's doorstep.

Under intense American pressure, Greek and Turkish warships backed away from a clash over rival claims to sovereignty over uninhabitated islets in the eastern Aegean. Athens said Wednesday that it viewed "with a positive eye" Washington's proposal to resolve the ownership question through the World Court in the Hague.

When the crisis erupted last week, the European Union stayed on the sidelines even though Aegean island sovereignty has long been an explosive issue for member Greece and candidate Turkey. Cyprus, the island divided into Greek and Turkish sectors since Turkish troops landed there in 1974, hopes to enter the Union within the next three years.

French officials attributed Europe's lack of response to the political vacuum in Italy, which is awaiting the formation of a government even as it holds the EU presidency for the first six months of the year. But they also acknowledged that Europe was bereft of any policy toward the area, largely because Greece and Britain have refused to accept European intervention in the Cyprus dispute.

With Europe dawdling, Mr. Hol-

See EUROPE, Page 6

AGENDA

Peres Will Call Early Elections

JERUSALEM (Reuters) — Prime Minister Shimon Peres of Israel told U.S. Secretary of State Warren M. Christopher on Wednesday that he would move elections forward to May 28, a diplomatic source said.

The source, who spoke on condition of anonymity, said the main reasons for Mr. Peres's talks with Mr. Christopher on Wednesday were to thank him for persuading President Hafez Assad of Syria to keep the peace process moving and "to tell him the date of the elections." They were to have been held in October.

PAGE TWO
Spain's Lingering Death Squad

THE AMERICAS Page 3.
Buchanan Upsets Gramm

ASIA Page 4.
Arms Race Now Feared in Asia

EUROPE Page 5.
Yeltsin Hardens Chechnya Stance

BUSINESS/FINANCE Page 11.
Daimler Expects $1.5 Billion Loss

Opinion Pages 8-9. *Crossword* Page 18.
Books Page 10. *Sports* Pages 18-19.

Dow Jones	Trib Index
Up 32.51	Down 0.07%
5492.12	135.29

The Dollar

New York	Wed. close	previous close
DM	1.477	1.4715
Pound	1.5375	1.542
Yen	106.08	105.20
FF	5.073	5.0555

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	14 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

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Can Germany Swallow Welfare Pill?

By John Schmid
International Herald Tribune

FRANKFURT — The old joke goes that you are a true German once a doctor allows you to convalesce at a spa like Baden-Baden to recover from a nasty case of the nerves.

Nowadays, no one is laughing.

Like their counterparts throughout Europe, Bonn's politicians are trying desperately to limit the rising cost of pensions, health care and unemployment.

The system will explode if benefits cannot be scaled back, Labor Minister Norbert Blüm has warned.

Stripping away benefits like paid stays in sanatoriums is one of 50 government recommendations that would give a vitamin shot to the German economy, Economics Minister Günter Rexrodt said recently.

Porsche agreed with workers to cut overtime and save jobs. Page 11

But it is not clear that Germany is ready for the treatment. Since the government's "action plan for investment and jobs" was introduced last week, recommendations aimed at taming pension costs have come under fierce attack from unions and management.

On Monday, Chancellor Helmut Kohl and Mr. Blüm will conduct another in a series of "chancellor's summits" with the major unions and industry federations to seek a consensus on pension reform.

Germans pay a higher share of national income for social welfare than do Americans or Japanese. Bonn's plan would cut social security contributions to below 40 percent of gross wages by 2000, from 41 percent currently.

See GERMANY, Page 6

Herbert Pfarrer/The Associated Press

A relative of a passenger waiting for news at Frankfurt airport.

189 Feared Dead in Caribbean Air Crash

Compiled by Our Staff From Dispatches

PUERTO PLATA, Dominican Republic — A charter jetliner carrying German tourists home from the Caribbean crashed into the ocean off the Dominican Republic. There were no signs Wednesday that any of the 189 people aboard had survived.

Aircraft and boats searching the waters off the Dominican Republic's north coast spotted bodies, empty life rafts and debris scattered over a wide area. At least 79 bodies were recovered, but divers were wary of entering the water, which the U.S. Coast Guard called shark-infested.

There was no immediate information on the cause of the crash late Tuesday, but the Boeing 757 was substituted at the last minute. The plane took off in light rain, then abruptly turned around and appeared to head back for land.

Dominican aviation officials initially reported that the pilot did not radio the control tower about any problems. But General Hector Roman, director of the country's civil aviation agency, later said the pilot had radioed that he was returning to Puerto Plata.

The crew's last message, he said, was "Stand by."

General Roman, who was supervising the rescue operation, said search efforts would continue through Thursday evening but he said the chances of finding any passengers alive were slim. "We have no sign of any survivors," he said.

The plane, bound for Frankfurt and Berlin, was owned by a Turkish company, Birgen Air, and leased to a Dominican airline, Alas de Transporte Internacional.

The German Transport Ministry said that the jet did not have proper authorization for its flight to Germany. The ministry said, however, that it had now received proof from the main tour operator using the flight, German-based Oeger Tours, that the aircraft was properly insured. Earlier the ministry said that proof had not been provided.

Airplanes, boats and helicopters from Florida, the Bahamas, the Dominican Republic and Puerto Rico headed to the crash site, 20 kilometers (12 miles) north of Puerto Plata.

Lieutenant Lincoln Benedict of the U.S. Coast Guard in San Juan, Puerto Rico, said pilots had spotted sharks in the area of the crash site. "The area is shark-infested," he said. "It obviously would hamper recovery of either survivors or bodies from the water."

The Coast Guard said bodies were being taken to a pier in Puerto Plata where a half-dozen ambulances and refrigerated trucks awaited.

Four children had been aboard the plane, and Polish radio reported that two members of the Polish Parliament had been passengers. *(AP, Reuters)*

'Big Brother' Comes to California Town, 12 Years After 1984

By Timothy Egan
New York Times Service

REDWOOD CITY, California — The year 1984 may have passed with barely a sinister hint of George Orwell's police state. But in 1996, U.S. law enforcement is watching you and listening, using advanced technology to record what goes on in entire city blocks.

Since late December, the police in this bayside suburb of San Francisco have hidden sophisticated listening devices throughout a section of the city that has been plagued by gang shootings and random gunfire.

The listening system of the Redwood City Police Department is designed to detect gunfire, send a signal back to headquarters, then locate the shots within 10 yards of where they were fired.

As part of a federal grant, a similar system may soon be installed in Washington or another major city.

In Baltimore, police last month wired a 16-block area of downtown with enough video cameras to allow them to monitor every street, sidewalk and alley 24 hours a day. The system watches — and records — everything.

"This is our way to say, 'We care, and we're watching,' " said Frank Russo, the director of public safety for the Downtown Partnership of Baltimore, a business group working with the police to run the new system.

As the audio and video sentries move into neighborhoods, few people are complaining about the intrusion.

"When you ask people if they are more concerned about gunfire or police sensors, they say gunfire," said Bonnie Miller, a resident here who serves on a committee that will decide whether to make the listening system a permanent part of the Redwood City Police Department. "In fact, I would say the neighborhoods here want it in at all cost." The digital watchdogs on the West Coast and the video patrol on the East Coast are the talk of law enforcement. A police officer's new best friend could turn out to be a recorder or a camera attached to a street light, the police say.

"There's no question our system works," said Sergeant Frank Wilkins of the Redwood City Police Department. "We used to have so much gunfire New Year's Eve that people would just shudder inside their homes. This last New Year's was the quietest in a long time."

And that was before the system, which is in only an experimental stage, was even operating; the Redwood City police had put out the word that they might be testing it.

"When people think somebody is watching, or listening — hey, even my heartbeat goes up when I drive by" a speed trap, Sergeant Wilkins said. "It's perception."

Although these pilot projects are a long way from Robocop, the people who helped design them say they reflect the dawning of an age in which technology will augment, or even replace,

See CRIME, Page 6

Set Up by the Police/ **27 Dead Included 7 Mistakes**

Death Squad Continues to Stalk Spain

By Marlise Simons
New York Times Service

MADRID — It was in the summer of 1983 when José Amédo realized that his superiors in the secret police were planning something out of the ordinary.

As he entered the office of his boss in the northern city of Bilbao, two police officials opened a suitcase full of bank notes. They peeled off the equivalent of $100,000, Mr. Amédo says, and told him to take the cash to a contact across the border in France.

The money, he and others have testified before the Spanish Supreme Court, turned out to be the first slice from a government fund set up to finance a secret anti-terrorist web and to hire hit men in France and Portugal.

By the time the undercover death squad disbanded four years later, 27 persons had been killed and close to 30 wounded. Most of the victims were members of the Basque separatist organization ETA, but seven persons were killed by mistake, investigators say.

The secret operation, for which 14 former police officers and government officials are now on trial, has hovered over the government of Prime Minister Felipe González. It is perhaps the main reason he has had to call elections on March 3 — a year ahead of schedule — and why he may lose them. Mr. González has denied all knowledge or involvement.

On Jan. 24, on the eve of the election campaign, Mr. González's former interior minister and close associate, José Barrionuevo, was indicted, bringing the inquiry even closer to the prime minister's office.

Santiago Alarcos/Reuters

Violence in the Spanish Basque country continues. First-aid workers, left, tried in vain Tuesday to save Fernando Mugica Herzog, a Spanish politician who was a brother of a former justice minister, after he was shot on a street in San Sebastián. Among those indicted in an investigation into secret police death squads against Basque separatists was José Barrionuevo, above, a former interior minister and a close associate of Prime Minister Felipe González. The indictment brought the inquiry even closer to the prime minister's office.

Reuters

As more details come to light, they seem to strengthen the picture in the mind of many Spaniards — 65 percent according to one poll — that links the killers to the heart of the government. Most said they condemn state terrorism.

"Many people think the government did a bad job and should have used legal means," said Yolanda Agra, a Madrid physician. But she said she thought the scandal the death squad was causing was disproportionate. "We must not forget that the victims were themselves killers," she said.

The case has raised disturbing questions in Spain. Why would a popular government, elected just six years after the return of democracy, resort to the violent methods associated with the hated Franco dictatorship? And why did it take a decade for much of the truth to come out?

Government officials have offered few convincing replies.

"There are people who want to bring down this government and undo the democratic changes we made," said Mr. González, who has been in office since 1982.

From confessions in court and from interviews with former police officers and Interior Ministry officials, a picture has emerged of how the death squad started and how it worked.

One important gathering took place in early 1983 in a chalet in the mountains outside Madrid. Seven senior government officials met to discuss the strategy to stop ETA, one of those attending told the court. He said that Mr. Barrionuevo was also there.

ETA — the initials stand for Basque Homeland and Freedom in the Basque language — has been demanding self-determination for the Basque region of some 2.3 million people since the late 1960s.

In response to repression under the Franco dictatorship, ETA became increasingly violent and has killed more than 700 people, many of them police officers and soldiers. The group had long used France as a sanctuary, and the new González government wanted to stop that.

Ricárdo Garcia Damborénea, a former government official, recently testified in court that officials discussed the "Israeli solution" in the strategy meeting in the mountains. This meant kidnapping or killing terrorists in their haven across the border in France. Mr. Barrionuevo told the court that the group had discussed "doing something in France," but nothing illegal.

Soon large sums of money flowed. Mr. Amédo, one of the death squad organizers, said in court that between 1983 and 1987 he used large amounts to bribe French police officers and other informers living on France's Basque coast, a refuge for Spanish Basques and ETA terrorists.

He said he and others handed out cash for middlemen and hired guns, who included former French paratroopers and hit men from the underworlds of Lisbon and Marseille. The group botched its first known operation. The operatives, a Moroccan from Marseilles and a former French soldier, kidnapped and delivered the wrong man to Mr. Amédo's group in Spain.

The victim, Segundo Marey, a French furniture dealer, was hidden for 10 days in a deserted farmhouse.

Then on orders from superiors, who included the head of state security and the police chief of Bilbao, Mr. Amédo said, his men dumped the terrified victim back in France, alive.

During the kidnapping, the police, posing as the death squad, issued its first communiqué. From then on, responsibility for kidnappings, killings and bomb attacks on cafés and homes on the French Basque coast was claimed in the name of the GAL, whose initials stand for the Anti-terrorist Liberation Groups.

Michel Dominguez, Mr. Amédo's subordinate, remembers the communiqués well because, he said, he had to translate them into French. One of his superiors at the Bilbao police station wrote them, he told the court.

Last year, Mr. Amédo showed the very first communiqué, a hand-written note, to a court magistrate. He said that the director general of the national police, Julian Sancristobal, had handed it to him to read over the radio. Mr. Amédo said he had kept it as a souvenir. The GAL killings stopped in 1987, when France began to cooperate with Spain and handed over some ETA leaders to Spain and expelled others to Algeria.

In 1991, Mr. Amédo and Mr. Dominguez were each sentenced to 108 years in prison. They said they had acted alone. To buy their silence, the office of state security in the Interior Ministry paid their wives more than the equivalent of $4,000 a month between 1988 and 1993, they said recently, and paid each man $800,000 in hush money in bank accounts in Switzerland.

But by late 1994, the two former members of the national police decided to tell the full story; by one account, they were angry because the money had dried up.

Mr. Amédo and Mr. Dominguez said they would no longer play fall guys and agreed to have their confessions published in the opposition newspaper El Mundo.

COMING UP

In freak shows and circuses, 19th-century Europeans gawked at the huge derrière of a woman from southern Africa known to them as the "Hottentot Venus." Today, as it tries to reclaim its past, the government of South Africa wants her remains, which are stored at a museum in Paris, returned.

Space Tests Show CFCs Destroying Ozone Layer

Reuters

LONDON — Chlorofluorocarbons, or CFCs, are guilty "beyond reasonable doubt" of destroying the Earth's ozone layer and thereby letting in damaging ultraviolet radiation from the sun, U.S. space scientists said Wednesday.

Satellite observations prove conclusively that man-made CFCs have made their way to the stratosphere and started destroying the protective ozone, said James Russell of the National Aeronautics and Space Administration and colleagues at the University of California.

Under the 1990 Montreal Protocol negotiated under United Nations auspices, the United States and other industrialized countries vowed to phase out the use of CFCs by the end of 1995.

In a report in the journal Nature, Mr. Russell's group said it was widely accepted among scientists that CFCs were depleting the ozone layer — notably causing big holes over Antarctica, the Arctic and northern Europe.

"But despite the wealth of scientific data linking chlorofluorocarbon emissions to the observed chlorine increases, the political sensitivity of the ozone depletion issue has generated a re-examination of the evidence," they wrote.

The group said present levels of chlorine in the stratosphere were five times what scientists would expect from natural sources.

Using satellite probes, they measured levels of hydrogen chloride and hydrogen fluoride at altitudes up to 55 kilometers (34 miles) over four years. Both molecules result from the breakdown of CFCs, widely used as coolants and aerosol-spray propellants.

There is no natural source for hydrogen fluoride, so its presence proved that CFCs had moved into the stratosphere from ground level, the report said. The findings proved "conclusively" that "chlorofluorocarbon releases — rather than other anthropogenic or natural emissions — were responsible for the recent global increases in stratospheric chlorine concentrations," the scientists wrote.

"Altogether, these results implicate the chlorofluorocarbons beyond reasonable doubt as dominating ozone depletion in the lower stratosphere."

"Sometimes it is important to strengthen an already powerful case," William Brune, a meteorologist at Pennsylvania State University wrote in an accompanying commentary. "Additional evidence is important because a few vocal skeptics are working to undo the Montreal Protocol, a treaty that is already slowing the growth in stratospheric chlorine."

God Said: 'Walter, Save Art,' and He Did

The Associated Press

BONN — Walter Farmer fought the Germans during World War II. On Friday, the former U.S. Army officer is getting a hero's medal from his erstwhile enemies.

In November 1945, Mr. Farmer, then a captain, protested his superiors' orders to pack up 202 precious paintings that were under his guardianship in Wiesbaden and ship them to the United States. The German-owned artworks were sent anyway. But Mr. Farmer's resistance created a huge stir, and the items were returned to Germany.

"Back then, I thought the Lord had reached down, touched my head and said, 'Walter, save art,'" the 84-year-old Mr. Farmer said by telephone from his home in Cincinnati.

Many people in art circles hold Mr. Farmer in high esteem because of his belief that as evil as the Nazis were, German museums and the German public had every right to keep their treasures.

The German government has the same view of Mr. Farmer. That is why, on Friday, Foreign Minister Klaus Kinkel is giving him the Large Service Cross, a coveted medal for foreign civilians, at a ceremony in Bonn.

Ever since unification, Germany has sought to retrieve 200,000 artworks taken by Soviet troops during World War II. Officials will not say so on the record, but Bonn hopes that making a hero out of Mr. Farmer will put a dent in Russian resistance to giving up the loot.

Mr. Farmer's engineering unit landed at Normandy in July 1944.

After the Nazis' defeat, the army created "collecting points" where artworks were brought and stored while their rightful owners were sought.

Mr. Farmer was appointed director of the Wiesbaden collecting point, a 300-room disused museum with shattered windows, unhinged doors, and plumbing and heating damaged in the war.

To make the building habitable for works by Botticelli, Dürer, Bosch, Rembrandt and others, Captain Farmer replaced the building's windows, got the furnace working and hung up wet army blankets to provide the humidity needed by old paintings.

Some U.S. officials had been talking about keeping German-owned art as war reparations. General Lucius Clay, the U.S. deputy military governor of Germany, proposed that such works be held in at U.S. museums and returned to Germany "when it has re-earned its right to be considered as a nation."

On Nov. 6, 1945, Captain Farmer was ordered to prepare 202 paintings for shipment to the United States. But he feared the U.S. government had no intention of ever giving the paintings back and he initiated the "Wiesbaden Manifesto," which was signed by 24 other U.S. military art guardians. The document said that the U.S. government should not sink to the same level as the Nazis, who were about to go on trial for purloining other nations' art. The paintings were sent to the United States anyway.

But the Manifesto helped fuel an uproar and various American publications and many art lovers protested taking the paintings out of Germany.

In the end, they were returned and they are now at the Gemälde Galerie, a museum in Berlin.

Indian Party Holds a Wedding, And 5,004 Couples Are United

Compiled by Our Staff From Dispatches

TIRUCHCHIRAPPALLI, India — The governing party in the poverty-stricken southern state of Tamil Nadu played host at a glittering $2 million wedding on Wednesday with 5,004 couples and more than 500,000 guests, party leaders said.

"Our rivals are green with envy at our achievement," said M. Chinnaswamy, the leader of the All-India Dravida Munnetra Kazhagam party.

The chief minister of Tamil Nadu, C. Jayalalitha Jayaram, presided over the ceremony here, blessing 18 brass plates filled with wedding bracelets known as *mangalsutras*.

She then asked the bridegrooms to fasten the necklaces around their jasmine-adorned brides' necks as music from an orchestra of southern Indian horns and drums reached a crescendo.

Critics saw the ceremony as a ploy by the party to gain support before elections in April. It was not, however, the biggest mass wedding on record: in 1988, the Unification Church married 20,825 couples at a stadium in Seoul. *(Reuters, AFP)*

TRAVEL UPDATE

Meters for Washington's Cabs?

WASHINGTON (AP) — Cabs in the nation's capital may finally get fare meters in 1998, ending a 60-year-old zone system that benefits riders who make frequent trips to and from the Capitol, but is confusing to tourists and many local residents.

The District of Columbia's Taxicab Commission voted Tuesday to abolish the zone system in which passengers are charged on the basis of the proximity of their trips to the Capitol.

However, Congress has blocked similar efforts, going back as far as 1931, and it is unclear whether it would now be willing to let a meter system take affect.

During off-peak hours, a two-mile trip from the Capitol to the State Department costs just $3.20. By contrast, the fare for some two-mile trips in a southeast Anacostia business and residential area is as much as $5.50.

The commission established a two-year timetable for cabs to switch to meters basing fares on distance traveled and elapsed time. Unless blocked by Congress, all of the city's taxis will have to have the meters by Sept. 1, 1998.

Tall buildings too close to many Chinese airports are causing a safety threat, an official report said Wednesday. Visibility at 30 airports in China is hampered by tall buildings, trees and smokestack pollution, the Xinhua News Agency quoted Xu Cunxin of the Civil Aviation Administration of China as saying. Some of the tall buildings also interfere with electromagnetic waves used in navigation, he said. *(AP)*

The Belgian national airline Sabena scrapped all of its flights for the second day in a row Wednesday after unions extended their strikes over labor demands. Unions opened the strikes early Monday to highlight a standoff with management over a new wage pact after talks were broken off late last week. The action left hundreds of travelers stranded at Zaventem airport. *(AP)*

A small fire on the French side of the Channel Tunnel briefly interrupted traffic through the undersea railroad link with Britain on Tuesday night, emergency services said. The fire, in an electric installation at Puy de Sangatte, was put out within 20 minutes after fire fighters from nearby Calais, Boulogne-sur-Mer and Saint-Omer were alerted. *(Reuters)*

Art Evades Customs, And Owner, at JFK

Compiled by Our Staff From Dispatches

NEW YORK — It is not every day that a traveler walks up to a customs counter at Kennedy International Airport here, unzips a portfolio from his carry-on luggage and tries to declare two portraits by Picasso and an oil by Pissarro.

Avelino González, arriving from Mexico last Thursday night, did just that, placing the works in the custody of Aeromexico's cargo agent until he could finish the required paperwork the next morning. But when he returned Friday, airline officials told him that the artworks, whose value might have been as high as $13 million, were missing, said Kevin M. Dyer, Mr. González's lawyer.

There was good news for Mr. González on Wednesday, when the Port Authority announced that the police had recovered the three artworks and arrested two men for stealing them.

The men who were arrested Tuesday night — Jason George, 26, and his brother-in-law, Joseph Casella, 19 — were charged with grand larceny. Mr. George worked for four years at the baggage-handling company hired to take care of the art, a Port Authority spokesman said.

An FBI spokesman said the artworks were recovered, undamaged, in the basement of an apartment building in Long Island City, New York, where Mr. Casella's girlfriend lives. She was not charged.

Mr. González, whose family owns a construction company in Mexico, told the police that he was carrying three artworks: "Woman Seated With Skull in Left Hand," a 1927 oil on canvas by Pablo Picasso; "Portrait of a Woman," a Picasso ink drawing done in 1956, and "Paris Street," a painting by Camille Pissarro, the Impressionist, in 1897, Mr. Dyer said.

Mr. González said he had taken the works to New York so they could be appraised by the auction houses Sotheby's and Christie's.

That led to some bad news for him. Speaking of the artworks, the FBI spokesman said, "They're fakes, in the opinion of the experts." *(NYT, AP)*

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THE AMERICAS

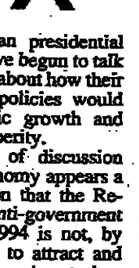
Message Honing By Republicans

Candidates Begin to See Budget Talk Is Not Enough

By Dan Balz
Washington Post Service

DES MOINES, Iowa — After three years of bashing Big Government, the Republicans have discovered lately that Bill Clinton may have been right. It is the economy, stupid.

Spurred partly by the surprising success of Steve Forbes and faced with an electorate expressing fears about the economy and their own financial security, Republican presidential candidates have begun to talk more directly about how their conservative policies would spur economic growth and personal prosperity.



The flurry of discussion about the economy appears a tacit admission that the Republican anti-government message of 1994 is not, by itself, enough to attract and hold the voters, absent clear improvement in their own wages and living standards, and that the party must promise more than a balanced budget as the centerpiece of its economic message.

"The budget debate has been almost solely predicated on balancing the budget to the exclusion of economic growth and a bigger pie," said Jack Kemp, the former housing and urban development secretary, who long has objected to what he believed was a Republican fixation on deficit reduction.

In one form or another, Republican candidates are addressing the economic insecurity brought about by rapid changes in the economy.

Mr. Forbes contends that his flat tax will unleash a period of unprecedented growth. Patrick J. Buchanan says higher tariffs will protect workers' wages. Senator Phil Gramm of Texas links spending cuts to his version of a flat tax to a promise of economic growth and individual freedom. Even Bob Dole, the Senate majority leader, is trying to connect the Republican balanced budget to economic gains more directly linked to voters' pocketbooks.

Much of what the Republicans are saying is not particularly new, and the one new idea that has attracted public interest, Mr. Forbes's flat tax, is under attack by the others.

At the same time, the intensifying debate threatens to reopen the economic fault lines that divided Republicans throughout the 1980s, particularly on issues of tax cuts versus deficit reduction as a vehicle to spur the economy. Even worse, say some Republicans, is the Buchanan message of economic nationalism and protectionism, which they fear could cause new divisions almost as serious as those on social issues.

Opinion surveys underscore why the candidates are addressing more than the balanced budget. Corporate downsizing and other dislocations have left many workers worried.

Other Republicans agree that Mr. Forbes has shaken up the race with his growth message and his unshakable faith in the flat tax as the vehicle to produce it. But he is hardly alone now.

Senator Richard G. Lugar of Indiana, whose economic centerpiece is a national sales tax, speaks eloquently about the consequences of sustained sluggish growth. He argues that the tax code should reward savings and investment, not consumption.

Lamar Alexander, the former Tennessee governor, sometimes sounds like President Bill Clinton when he talks about how often younger workers will have to change jobs during their lifetimes and the importance of education and retraining.

"I think we have the same diagnosis," he said when asked about the similarities between him and Mr. Clinton. But Mr. Alexander said he and the president disagree on the prescription.

Senator Gramm has championed spending cuts and balanced budgets to unlock investment capital and promote enterprise. But recently he has coupled that with his flat-tax plan, which together, he said would restore the American dream and assure it for those previously left behind.

More than any other candidate, Senator Dole has tied his campaign to budget balancing, but in the face of evidence that the party has done a poor job of selling that plan he has sought to put the budget fight into a broader context.

Dave Martin/The Associated Press

Patrick Buchanan applauding his caucus victory over Phil Gramm in Louisiana.

Buchanan First in Caucus

He Upsets Gramm in His 'Backyard' of Louisiana

By William Booth
Washington Post Service

BATON ROUGE, Louisiana — Running as a populist railing against the "new world order," trade deals and abortion, Patrick J. Buchanan upset Senator Phil Gramm of Texas in the Republican presidential caucus here Tuesday.

With all precincts reporting, Mr. Buchanan unofficially won 13 delegates while Mr. Gramm had the remaining eight.

The delegates are the first selected of 1,991 who will meet in San Diego in August to select the Republican presidential nominee.

The caucus vote represents a setback for Senator Gramm, who predicted he would win here, in his own backyard. Mr. Buchanan, a conservative commentator, said a victory would give momentum to his "America-first" message in next Monday's caucuses in Iowa and the Feb. 20 primary in New Hampshire.

Because Senator Bob Dole, Steve Forbes and Lamar Alexander decided not run in the Louisiana caucuses — in part for fear of angering voters in the traditional kickoff states of Iowa and New Hampshire — the race was between Mr. Gramm and Mr. Buchanan. Alan Keyes, a radio talk show host and a minor candidate, also participated.

Louisiana's new Republican governor, Mike Foster, who supported Mr. Buchanan, said the caucuses could decide the conservative challenger to Senator Dole — or perhaps to Mr. Forbes, whose media blitz has propelled him ahead of Mr. Dole in some New Hampshire polls.

Political analysts believe the election Tuesday night was fought among deeply religious and conservative Republican activists, who were asked to choose between two contenders who both claim to represent the right wing of the party.

Mr. Buchanan attacked Mr. Gramm in Louisiana for weeks, insisting that the senator was not as conservative as he asserts, was soft on abortion and was prepared to sell working people out in free-trade deals.

Mr. Buchanan's victory not only embarrassed Mr. Gramm in his home region, but also upended the strategic underpinning of his campaign. Gramm advisers, anticipating losses in Iowa and New Hampshire, built their strategy around winning early in other Southern and Western states, beginning with Louisiana. But the Louisiana voters never warmed to him.

Now Mr. Buchanan may come into Iowa with the momentum to attract those religious and social conservatives upon whom Mr. Gramm was counting heavily.

The Louisiana caucuses were plagued by widespread voter apathy. Dozens of citizens interviewed did not know the vote was being held.

POLITICAL NOTES

On the Doles: Of Taxes, Shelters and Donations

WASHINGTON — Senator Bob Dole and his wife, Elizabeth, have avoided some $300,000 in taxes since the 1980s through a series of tax-shelter investments, according to a published report.

Meanwhile, Mrs. Dole wrote a check Wednesday for $74,635 to an American Red Cross fund to make up for what she called "a tax and accounting error" resulting in a lower contribution than she intended.

Mrs. Dole, on leave from her job as president of the American Red Cross to help her husband's presidential campaign, had pledged that most of the speaking fees would go to the fund.

On the issue of tax-shelters, Money magazine found that Mrs. Dole's two biggest shelters saved the couple more than $298,000 in taxes between 1983 and 1994. The report, in the magazine's March issue, classified one tax shelter as "abusive," a term used by the Internal Revenue Service to describe deals of dubious value.

Mrs. Dole, campaigning in New Hampshire, said there was "absolutely nothing wrong" with such investment strategies.

Tax shelters are not illegal, but those who use them run into trouble with the IRS if they are used to improperly shield income beyond the exemptions allowed. *(AP)*

Senate Votes to End Farm Price-Subsidy Tie

WASHINGTON — The Senate voted Wednesday to end the decades-old link between farm prices and government subsidies, giving farmers instead a series of fixed but declining payments. The 64-to-32 vote could pave the way for an eventual end of farm payments.

The vote came despite a last-ditch fight by Democrats who wanted to save at least some connection between prices and payments. But that effort failed on a 63-to-33 vote. Democrats charged that Republicans were offering welfare to farmers while cutting money for education, school lunches and health care for the poor.

In exchange for less government support, controls over most planting decisions would end, along with requirements that acres be idled.

The overhaul of how the government supports corn, cotton, rice and wheat will not be debated in the House for several weeks. It was unclear whether the bill, in its final form, would stop President Bill Clinton from carrying out a veto threat. *(AP)*

28 Subpoenas Issued In Travel Office Case

WASHINGTON — A House investigative committee issued 28 subpoenas to presidential aides and the Justice Department on Wednesday for documents related to the White House travel office firings.

Congressional investigators say they want to scrutinize the role played in the affair by various White House officials and to determine whether federal prosecutors did a thorough and fair job.

The White House called the action by the Republican-led House Government Reform and Oversight Committee election-year politics.

Among those receiving subpoenas from the committee were the senior White House aides George Stephanopoulos and Harold Ickes; Lisa Caputo, the spokeswoman for Hillary Rodham Clinton, and the former presidential lawyers Bernard Nussbaum and Neil Eggleston. Said Michael McCurry, the White House press secretary: "It's a campaign year." *(AP)*

Quote/Unquote

Pat Buchanan, after upsetting Senator Phil Gramm in the Republican presidential caucuses in Louisiana: "This is a victory for a new conservatism of the heart." *(AP)*

Away From Politics

• **Floodwaters forced hundreds of people** from their homes, swamped roads and bridges and continued to rise as heavy rain continued to soak northwestern Oregon. People piled sandbags outside their homes and businesses and about a dozen school districts canceled classes in western suburbs of Portland, the mid-Willamette Valley and Tillamook area. About a dozen major highways and hundreds of county roads and city streets were awash with overflowing creeks and rivers. *(AP)*

• **A man charged with plotting to blow up U.S. airliners** tried to escape from a Manhattan prison by climbing from one rooftop to another, officials said. The suspect, Wali Khan Amin Shah, was placed under tight security at the at the Metropolitan Correctional Center while authorities investigated. *(AP)*

• **Families of the victims of Pan Am Flight 103** are fighting a plan to return an airline under the name of Pan Am to the skies, arguing that the company is not fit to fly again. Flight 103 was brought down in December 1988 by a terrorist bomb over Lockerbie, Scotland, killing 270 people. *(AP)*

• **A Roseland, New Jersey, woman** whose husband said she committed adultery by writing steamy computer messages will sue him for defamation and invasion of privacy, her lawyer said. The husband has already filed for divorce. *(AP)*

Bipartisan Praise for Welfare Plans

By Todd S. Purdum
New York Times Service

WASHINGTON — The nation's governors have endorsed bipartisan proposals for overhauling the federal programs for welfare and the Medicaid health plan for the poor, prompting optimistic talk of breaking the impasse over balancing the federal budget. But the proposals also drew questions from the White House and Congress and criticism from advocates for the poor.

President Bill Clinton; Senator Bob Dole, the majority leader; and Newt Gingrich, the House speaker, praised the governors' ideas — adopted unanimously Tuesday at the winter meeting of the National Governors' Association in Washington — as steps in the right direction.

Mr. Dole and Mr. Gingrich promised prompt hearings on the proposals, which seek a middle ground between the White House's wishes for guaranteed benefits and the Republicans' insistence on more autonomy for the states.

But the White House raised several objections to the proposals; congressional Republicans asserted that it was still unclear whether the president was prepared to negotiate in good faith, and advocates for the poor said they would contest limits on benefits in the proposals that, they said, would hurt the needy.

Moreover, senior White House officials said they saw no possibility of serious negotiations with Congress until after the Iowa caucuses and New Hampshire primary later this month sorted out the Republican presidential field, and Mr. Dole's prospects, a bit more.

Under the proposals, the states would have vast new powers to design their own welfare programs and devise ways of moving poor people from welfare to work. The governors proposed giving each state a lump sum of federal money to run its own welfare program. Like Congress and President Clinton, the governors would impose a five-year limit on federal benefits to any family.

But under the governors' proposal, low-income people would still be entitled to food stamps if they met federal eligibility criteria, and there would be no statutory limit on the cost of the food-stamp program, which is financed entirely by the federal government.

In a speech to the governors Tuesday, Mr. Clinton said that their idea of preserving a federal guarantee of medical benefits for needy people, and of broad new flexibility for states to administer such programs, had "contributed immeasurably" to resolving disputes between the White House and Congress. He made similar comments about the governors' proposals for overhauling welfare.

Mr. Dole praised the governors as "honest brokers" and added, "We're prepared to act, and we believe the president will be prepared to act, too."

Mr. Gingrich promised hearings on the proposals. His spokesman, Tony Blankley, described the speaker as "ecstatic" about the governors' efforts.

Governor Tommy G. Thompson of Wisconsin, a Republican who heads the governors' association, described the Medicaid proposal, in which the federal government's share of the program's cost would increase to 60 percent from 50 percent, as "the break that they're looking for."

The governors' recommendations carry moral and political weight, not only because they come from a diverse group, but also because the governors are the public officials most immediately concerned with delivering the health and welfare services at stake.

Their proposals sought to reconcile the tensions between the states' growing insistence that they have more freedom and flexibility to administer such programs and their concern for protecting their residents and their own budgets from fluctuations in the economy.

"It's more evidence that there's momentum out there for a deal," a senior White House official, speaking on condition of anonymity, said of the proposals. "But while the candidates are trooping through the frozen snows of Iowa and New Hampshire, the prospects for a deal are frozen, too."

John Testrake, Pilot in 1985 Hijacking, Dies

The Associated Press

ST. JOSEPH, Missouri — John Testrake, 68, the TWA pilot who emerged as the hero of a 1985 Middle East hijacking, died Tuesday of cancer.

The Trans World Airlines jet with 145 passengers and nine crew members was flying from Athens to Rome on June 14, 1985, when it was hijacked by Shiite gunmen who demanded the release of hundreds of Lebanese from Israeli jails. The plane eventually landed in Beirut.

Mr. Testrake's urgent message to the control tower was broadcast around the world, beginning: "We must, I repeat, we must land repeat, at Beirut." One passenger was shot to death and dozens were released. But 39 American men were removed from the plane and taken captive for two weeks, most of them scattered around Beirut, while Mr. Testrake and two other crewmen remained on board.

He retired from TWA in 1987, then flew relief missions for several years for the Mission Aviation Fellowship. He ran unsuccessfully as a Republican for the state legislature in 1992.

Antonio Ruiz Soler, 74, Was Flamenco Dancer

MADRID (NYT) — Antonio Ruiz Soler, 74, the Spanish flamenco dancer and choreographer, whose ballet-inspired movements brought new prominence for male dancers on the Spanish stage from the 1940s through the '60s, died here Monday of a stroke.

Mr. Soler was credited with breaking new ground, first as a partner to his cousin Florencia Pérez, known as Rosario, and later as a choreographer influenced by George Balanchine.

Guy Madison, 74, Star Of Many Westerns

LOS ANGELES (LAT) — Guy Madison, 74, a 1940s matinee idol who found his niche in Westerns and was best remembered for his long-running 1950s television series "The Adventures of Wild Bill Hickok," died Tuesday of emphysema in Palm Springs, California.

From 1951 to 1958, Mr. Madison portrayed the handsome Marshal Hickok in a precursor to other popular series about historic frontier figures. As Westerns lost favor in the late 1950s, he tried producing pictures and then moved to Italy where he continued acting in "spaghetti westerns" through the 1960s.

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ASIA

China-Russia Deal Could Fuel an Asian Arms Race

By Michael Richardson
International Herald Tribune

SINGAPORE — If China uses a recent agreement to produce large numbers of advanced Russian SU-27 jet fighters, other Asian countries will respond by buying fighters from the West that are even more advanced, officials and analysts said Wednesday.

They said that a modernized Chinese Air Force with an ability to make long-range attacks would be seen as a serious threat to the region, prompting worried neighbors to buy Western fighter planes with precision-guided weapons and advanced avionics, as well as aerial refueling tankers and airborne early warning and command planes.

Joel Johnson, international vice president of the Aerospace Industries Association of America said that if Beijing were to use the SU-27 production license it just obtained from Russia to "start cranking out six, seven, eight fighters a month to build up a serious air force and then build some tankers to go with them, that would certainly change the fighter market out here.

"Countries would suddenly decide they need more of an air force," he continued.

Asian officials are watching to see whether China uses force or the threat of force to try to recover Taiwan, which Beijing sees as a renegade province, or the islands it claims in the South China Sea.

"The question is how China will behave as it grows stronger economically and militarily," Tony Tan Keng Yam, Singapore's deputy prime minister and defense minister, said at a conference on regional security that ended Wednesday. "Any conflict in the Taiwan Straits will alter the strategic balance and affect adversely the countries in the region."

Under the production license deal, said to be worth $2 billion to Moscow, Moscow will supply China with technical assistance and training to manufacture SU-27s, a mainstay of the Russian Air Force. The Chinese already have 24 SU-27s from an earlier purchase.

Mr. Johnson said that in agreeing to production of the SU-27 in China, Moscow had clearly reached an understanding with Beijing that the planes would not be used against Russia.

"That tells you China has got to be looking east and south rather than north," he said.

Syed Hamid Albar, Malaysia's defense minister, said that he expected that as many as 3,000 new strike and fighter aircraft, with updated weapons and avionics, would be added to Asia-Pacific air forces in the next decade.

Although Malaysia has bought some MiG-29 fighters from Russia, most of the combat planes in service or on order by nearly every East Asian country apart from China are Western types, including the F-16 and F-18 from the United States, the Hawk from Britain and the Mirage from France.

Western officials said that the SU-27s, which can be used as long-range air interceptors or to attack ground or maritime targets, were chosen by Beijing to give China superiority over Taiwan's air force.

Taipei responded to China's initial purchase of 24 SU-27s by ordering 150 F-16s from the United States for about $6 billion and 60 Mirage 2000s from France. First deliveries of both are scheduled to start later this year.

Western officials said that Beijing also chose the SU-27 because it had the range to fly from China's Woody Island base in the Paracels in the northern South China Sea and patrol for at least an hour over the contested Spratly Islands, several hundred miles to the south.

The Spratlys are claimed, wholly or partly, by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam. Although uninhabited, the islands are believed to be have valuable oil and gas resources.

The International Institute for Strategic Studies in London reported recently that China had also developed at least a limited capacity to extend the range of its fighters by in-flight refueling using locally produced Y-8 transport planes as aerial tankers.

Clinton Moves To Permit Sale Of Satellites To the Chinese

Agence France-Presse

WASHINGTON — President Bill Clinton, evoking American "national interest," has announced the lifting of sanctions blocking the sale of telecommunications satellites to China, imposed after crackdown near Tiananmen Square in 1989.

The four satellites are for communications purposes and will in no way contribute to China's military capacity, an administration official said.

Washington, along with other Western governments, froze a wide range of exchanges with China after the June 4 crackdown, in which hundreds and perhaps thousands of pro-democracy demonstrators were killed by People's Liberation Army troops around Beijing's central square.

The lifting of the sanctions, announced by Mr. Clinton on Tuesday in a letter to Congress, was described by the official as a purely commercial decision, although it coincides with the visit to Washington of China's deputy foreign minister, Li Zhaoxing.

In his announcement, Mr. Clinton wrote: "It is in the national interest of United States to waive the restrictions contained in the act" blocking the satellite sales, approved by Congress as part of 1990 and 1991 budget legislation.

Mr. Clinton's decision was criticized by Representative Nancy Pelosi, Democrat of California.

"It pains me to attack a president from my own party," she said. "But this is most disappointing and the president is clearly not living up to his responsibilities."

She was critical of the president for acting when the House of Representatives was not in session and said the decision was "frivolous." Accusing Mr. Clinton of evoking the national interest lightly, she said: "This is a cloak used to get away with a cowardly act."

She expressed fears that China would transfer the technology for military use and to "rogue states."

But the administration official stressed that, "all waivers involve civilian commercial satellite technology that does not contribute to China's military capabilities."

Mr. Clinton's decision comes as tension is heightening between Washington and Beijing on a number of issues, notably on relations with Taiwan.

Mr. Clinton's announcement referred to three Chinese projects: COSAT, which features two Lockheed satellites used for voice, data and television transmission to China; ChinaSat, which will purchase a Hughes satellite for the same purpose; and Mabuhey, which will take delivery of one Loral satellite used for voice and data communication in the Philippines and neighboring countries.

Tokyo May Help U.S. In North Korea Accord

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Ryutaro Hashimoto said Wednesday that he would consider a U.S. request that Japan shoulder the cost of fuel oil shipments to North Korea under a 1994 nuclear agreement.

In a meeting with President Bill Clinton's national security adviser, W. Anthony Lake, Mr. Hashimoto said he would study "what Japan could do for a short-term solution," officials said.

Under the nuclear accord, aimed at defusing a perceived nuclear threat from North Korea, the U.S.-led Korean Peninsula Energy Development Organization is to provide North Korea with light-water nuclear reactors, and with fuel oil to help meet its energy needs until the reactors are built.

Mr. Hashimoto said the fuel oil problem had stemmed from U.S. budget delays and that the United States would be asked to fulfill its responsibility to pay for the oil shipments in the second half of the year.

The Kyodo news agency reported that Japan had taken steps to earmark about $12 million for February and March oil shipments. Kyodo said Japan was likely to help pay for future deliveries as well on the assumption that Washington alone probably would not be able to finance the $50 million annual cost.

In a meeting earlier Wednesday with Mr. Lake, Foreign Minister Yukihiko Ikeda said Japan had no plans to provide additional rice shipments to North Korea, which says it needs help following a series of droughts and floods, officials said.

Mr. Ikeda said Japan had already given humanitarian support to North Korea through international bodies.

Mr. Lake arrived in Tokyo following a four-day visit to Seoul, where he tried to ease South Korean concerns over Washington's decision to donate $2 million to the relief effort for the North.

Foreign Minister Gong Ro Myung of South Korea restated Seoul's objection to large-scale aid as long as tensions remained high on the Korean Peninsula, South Korean officials said.

Regarding President Clinton's state visit to Japan in April, Mr. Lake told Mr. Hashimoto and Mr. Ikeda that "some progress should be made" over the four contested sectors in bilateral trade — market access in semiconductors, photographic film, insurance and civil aviation.

The prime minister said Tokyo's stance remained the same on semiconductor and photographic film, but that progress was expected on insurance and civil aviation.

Mr. Hashimoto said that it was important to "keep economic problems from becoming political issues," officials said. *(AFP, Reuters)*

2 Defectors Try to Return To North Korea

The Associated Press

SEOUL — Two North Korean defectors, including one who claimed to be the son-in-law of North Korea's prime minister, were caught apparently trying to return to the North.

Intelligence authorities were investigating whether the defectors were spies, the daily newspaper Kookmin Ilbo said Wednesday, quoting unidentified government sources.

In the first case, Kang Myung Do, 35, was caught in December by airport security authorities as he tried to leave for China, the newspaper said. He was carrying $30,000.

Mr. Kang was the most celebrated North Korean defector in years. When he came over to the South in May 1994, Mr. Kang said he was married to the only daughter of the North Korean prime minister, Kang Song San.

But the Agency for National Security Planning, the main intelligence agency, said it was questioning Mr. Kang on suspicion that he tried to ship the foreign currency illegally out of the country through a third person. It said Mr. Kang himself never tried to leave.

In the second case, maritime police in the southeastern port of Ulsan said they arrested a North Korean soldier on Sunday as he tried to return to North Korea via China. Kim Hyong Dok, 22, had defected in September 1994.

Mr. Kim reportedly told investigators that he wanted to go back home to see his parents. He was carrying $15,000.

FLAG DAY — Police watching a Tokyo protest Wednesday against Japan's joining a UN peacekeeping force.

U.S. Hesitant About Nuclear-Free Zone

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The United States is still not ready to endorse a nuclear-weapons-free zone in Southeast Asia in part because of a protocol that would inhibit freedom of the seas, Washington's chief arms negotiator said Wednesday.

Although the United States supports the idea of such a zone, it "is not prepared to sign the protocol because we still have some problems with the language," said Thomas Graham, the U.S. special representative for arms control, nonproliferation and disarmament.

The Association of South East Asian Nations agreed to establish the zone, similar to one declared in the South Pacific, at a meeting in Bangkok in December. The zone envisages a region free of nuclear weapons and weapon-related activity.

Mr. Graham said the right of passage through the zone by U.S. ships was an important part of the freedom of the seas issue. He said other issues were involved as well.

The nuclear treaty was signed by leaders of the seven-member Association of Southeast Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — along with Burma, Cambodia and Laos on Dec. 15.

They agreed that none of them would acquire, develop, test, use or allow the stationing of nuclear warheads within the zone. The treaty also bans the dumping of radioactive waste.

But since none of the signatories have nuclear warheads, the ban is seen as addressed to the five nuclear powers.

Mr. Graham said that Washington and the other four nuclear powers — France, Britain, China and Russia — were ready to sign on to a South Pacific nuclear-weapons-free zone and could do so in the next couple of months.

The institution of the South Pacific zone has been delayed by French nuclear tests, but those are now finished.

Mr. Graham was in Malaysia to canvass for the Comprehensive Test Ban Treaty negotiations that began in Geneva on Jan. 22. *(Reuters, AFP)*

BRIEFLY ASIA

Kin's Remarks Anger Sihanouk

PHNOM PENH — King Norodom Sihanouk, angered by comments reportedly made to a French magazine by his half-brother, Prince Norodom Sirivudh, said he would no longer support him, a Phnom Penh paper said Wednesday.

Prince Sirivudh reportedly told the magazine Le Point that he backed many of the policies of an opposition leader, Sam Rainsy, and that he believed the Cambodian government should work harder to fight corruption.

"It is very clear that he has mocked me in his recent declaration in 'Le Point,' constituting a camouflaged insult to my person," the Cambodia Daily quoted King Sihanouk as saying. "Henceforth, I am no longer interested in him at all and will no longer look after him." Prince Sirivudh has been living in exile in France since December after being implicated in a plot to kill a Cambodian official. *(Reuters)*

Chinese Dissident Maps Appeal

BEIJING — China's best-known dissident, Wei Jingsheng, plans to file another appeal against a 14-year prison term for plotting against the government, his brother said.

The Higher People's Court, which has the final say in Mr. Wei's case, has already upheld the sentence. *(Reuters)*

Beijing Orders Rumors Halted

BEIJING — Chinese officials were told Wednesday to put an end to rumors that the murder of a senior legislative official was anything more than a bungled robbery attempt.

The swift response from China's leaders to rumors that the murder might have been politically motivated appeared to underline anxiety about unrest when the paramount leader, Deng Xiaoping, who is 91 and in fragile health, leaves the political scene, Chinese sources said. The official, Li Peiyao, was killed by a burglar in his apartment, the official media said. Senior party officials were nervous at the spread of rumors of a more-sinister motive behind the murder, sources said. *(Reuters)*

Japan Firm Puts Squeeze on U.S.

TOKYO — A Japanese shipbuilder has refused to let the U.S. Navy carry out repairs unless it gets the contract. The navy wants to do work over six months on the Belleau Wood, an amphibious assault vessel.

Under a Japan-U.S. accord, a local shipbuilder, Sasebo Heavy Industries Ltd., is supposed to provide free use of a dry dock.

But the company says that would cost it too much money in lost work and has asked to be handed the repair contract. Such contracts are normally awarded by competitive bid, but the navy is reportedly considering the request. *(AFP)*

VOICES From Asia

General Feisal Tanjung, Indonesia's armed forces commander, saying Wednesday that he retained the option of military action to free 13 hostages, six of them European, held by separatist rebels: "We will continue with our persuasive efforts but there is always a possibility of launching military operations." *(Reuters)*

Giorgio Giacomelli, director of the UN International Drug Control Program, expressing concern over possible involvement by Khmer Rouge guerrillas in increasing drug trafficking in Cambodia: "Wherever you have this situation where insurrectional movements and guerrilla movements have to finance and buy their weapons, we know that the drugs in one way or another appear." *(Reuters)*

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EUROPE

Yeltsin Toughens His Stance on Chechnya

Compiled by Our Staff From Dispatches

MOSCOW — The Kremlin Security Council took a tough stance Wednesday on Chechnya, calling independence demonstrations in the capital, Grozny, illegal and warning that there would be no quick troop withdrawal.

Oleg Lobov, permanent secretary of the Kremlin inner circle, which is headed by President Boris N. Yeltsin, said that "good intentions on withdrawing troops from certain regions of Chechnya in order to create demilitarized zones had been put in question."

Mr. Lobov blamed "the aggressive character of the opposition calling for immediate troop withdrawals" for the impasse.

"All the demonstrations are illegal," Mr. Lobov said, as thousands gathered for a fourth day running in the ruined heart of Grozny to demand withdrawal of Russian troops and the resignation of the Russian-installed local government.

Mr. Lobov said that between Feb. 15 and 20 Mr. Yeltsin would make a key statement on policy in Chechnya, which Russian troops stormed in December 1994 to end an uprising and bid for independence.

The announcement would come about the same time as Mr. Yeltsin has promised to announce whether or not he will run for reelection in the June presidential elections.

Mr. Lobov gave no indication what Mr. Yeltsin would say, saying only that "talks today are preparatory debates for this announcement."

There had been mounting signs that Mr. Yeltsin was ready to propose far-reaching peace measures, but the reaction to the pro-independence demonstrations indicated a new hardening of positions.

"The decision to withdraw troops can not be made until stabilization of the situation and carrying out of the military treaty signed last year," Mr. Lobov said.

The military accord signed in Grozny in July between the Russian government and the Chechen rebels called for full demilitarization of large parts of Chechnya.

The accord quickly collapsed amid a series of assassinations of Russian officials and military offensives by both sides.

In Grozny, the Russian-installed government ordered "an end to the demonstration that is destabilizing the political and social situation," an anonymous source was quoted as saying by the news agency Interfax.

Mr. Yeltsin ordered top state officials on Wednesday to close the technology gap with the West and told them to make better use of industrial intelligence to do so.

"Cooperation contacts have collapsed and competition on the international high technology market has got tougher," he said in televised comments at the start of the Kremlin meeting, which was later closed to the media.

The Interfax and Itar-Tass news agencies quoted Mr. Yeltsin as saying foreign intelligence services had stepped up industrial spying in Russia and that Moscow must make better use of information gathered by its own services. *(AFP, Reuters)*

Jasper Juinen/Reuters

PRINCELY PAIR — The Dutch crown prince, Willem Alexander, smiling at his Belgian counterpart, Filip, on Wednesday in Den Helder, the Netherlands, at a ceremony combining the commands of their navies.

EUROPEAN TOPICS

The Rain in Spain Falls Mainly

Spain's disastrous drought has ended in a spectacular way — with such powerful winter rains that in some areas people have gone from filling out applications for drought relief to seeking help in dealing with flood damage.

Sixty-two reservoirs in the southern regions of Andalusia and Extremadura now hold four times as much water as they did a year ago. Within two months, Seville went from dire shortage to sufficient water reserves for three years. Water rationing seems almost a distant memory, reports the German weekly Der Spiegel.

But the cold, hard rains have taken a toll. Schools in Seville were closed; in one town, 300 schoolchildren were evacuated after a dam burst. Flooding was aggravated in areas where storm drains had been neglected during the drought years.

Some farm fields are now impossible to work since tractors sink up to the axles in the new mud. Citrus crops have been ruined. Agro-businessmen in Seville Province estimate their lost income at the equivalent of $160 million.

But the rains have been a godsend for most. Tomato farmers will be able to plant again in the spring. Cattle ranchers will save on feed. Cork producers are back in business after two years during which they dared not harvest the bark of drought-stricken trees. And that means jobs and an economic boost.

Around Europe

The police helmet worn by British bobbies since Victorian times is to disappear, the Sunday Times reports, replaced gradually by peaked caps. Police in Manchester are switching this month; other forces are expected to follow. A nationwide survey found that officers had little good to say about the old helmets, which were based on a Prussian army design: They are hot and uncomfortable: hooligans take pleasure in knocking them off; they are too big to wear in a patrol car; they fall off during foot chases. And, one officer said, the bad guys can "see them coming from half a mile away."

There's a new wine on the market in Germany — conceived by women, made by women and intended for women. It's a light, bubbly summer wine and its name, "Corange," or angel horn, is the French translation of the last name of its creator, Elke Engelhorn. The label carries crossed battle axes, and Ms. Engelhorn, a 36-year-old horticulturist, says the message is, to her mind, simple: "The fact that there is now a lesbian wine shows how important the theme of homosexuality is." Although many products appeal specifically to gay men in Germany, this is one of the first intended for women.

The professional press has been reserved. The magazine Vinum calls the '94 vintage "thin, light and a bit sour."

International Herald Tribune

BRIEFLY EUROPE

Ireland Proposes Ulster Forum

DUBLIN — Ireland proposed to Britain on Wednesday that they organize an international forum, modeled after the successful Bosnian peace talks last year, to resolve the stalemate in the Northern Ireland peace process.

But Foreign Minister Dick Spring, after discussing the idea with Northern Ireland Secretary Patrick Mayhew of Britain, said they had reached no agreement.

"Work is going forward," Mr. Spring said. "I believe it offers a prospect of maintaining momentum in the peace process." *(AFP)*

Germans Warned on Beef Bans

BRUSSELS — The European Commission on Wednesday warned three German states that have banned British beef imports to revoke the decisions or risk being dragged before the European Court.

"According to the details we have, this is clearly totally illegal," a commission spokesman said.

Rhineland-Palatinate, North Rhine-Westphalia and Bavaria announced the bans Tuesday following a British outbreak of the so-called mad-cow disease. *(AFP)*

Irish Divorce Vote Survives Suit

DUBLIN — Ireland's High Court on Wednesday dismissed a bid by a leading anti-divorce campaigner to overturn the result of last November's closely fought referendum on divorce.

Des Hanafin, chairman of the Anti-Divorce Campaign, wanted the referendum declared null and void and a new poll ordered, arguing that the government wrongfully spent public money promoting the "yes" campaign.

But Justice Murphy, president of a three-judge divisional court of the High Court, said he remained unconvinced that the government advertising campaign had materially affected the outcome of the referendum, which very narrowly favored allowing divorce. *(Reuters)*

Optimism for Pretoria Accord

CAPE TOWN, South Africa — The president of the European Parliament, Klaus Hansch, said Wednesday that he was confident disagreement within the European Union over a trade deal with South Africa would be resolved.

"I am sure that there will be a majority to ratify this agreement as soon as possible," Mr. Hansch said.

EU-Pretoria negotiations over access to European markets broke down last year when dissension emerged in European ranks. Paris led calls for agricultural products to be excluded from the deal, according to a South African Agricultural Department official. *(AP)*

Calendar

European Union events scheduled for Thursday:

SLOVAKIA: The commissioner for relations with eastern Europe, Hans van den Broek, meets with President Laszlo Kovacs and Prime Minister Vladimir Meciar.

LYON: the commissioner for judicial affairs, Anita Gradin, visits Interpol headquarters.

BRUSSELS: President Jacques Santer of the European Commission takes part in a meeting of the European People's Party. *Sources: Agence Europe, AFP*

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IRELAND	£ IRL	230	37	68
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LUXEMBOURG	L. FR.	14,000	41	4,200
NETHERLANDS	FL.	790	42	240
NORWAY	N. KR.	3,500	40	1,050
PORTUGAL	ESC.	51,000	39	15,500
SPAIN	PTAS.	55,000	33	16,500
SWEDEN	S. KR.	3,500	40	1,000
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Bosnia Accord Teeters As Serbs Turn on UN

Official Expelled and Meeting Boycotted Over Muslims' Seizure of Two Officers

By Chris Hedges
New York Times Service

ILIDZA, Bosnia-Herzegovina — The euphoria that greeted the deployment of the NATO-led forces in Bosnia and compliance by all sides with the demilitarization of the zone of separation has been replaced in recent days by the growing realization that the Bosnian peace accord is in trouble.

The Bosnian Serbs, angered by the continuing detention of two senior military officials, have begun calling for a reassessment of their relationship with NATO's Implementation Force.

Serbian officials expelled a United Nations official from a Serbian suburb Wednesday, refused to meet with the top UN civilian relief official, Carl Bildt, and are boycotting all talks with the Bosnian government.

And in the divided city of Mostar, angry Croats attacked the offices of the European Union administrator Hans Koschnick and withdrew from a plan drawn up by Mr. Koschnick to unify the city with its Muslim half.

The success of the military side of the Dayton, Ohio, accord has largely overshadowed the struggle to move forward on the civilian side. The Bosnian Serbian leadership, including the commander Ratko Mladic and the political leader Radovan Karadzic, both indicted by a tribunal at The Hague as war criminals, is showing the staying power of Saddam Hussein. General Mladic, breaking nearly two months of silence, called Wednesday on Bosnian Serbs to "freeze" all contacts with the NATO force until his officers were released.

But the decision Wednesday by the UN War Crimes Tribunal in The Hague to support the provisional arrest of the two officers ended the forlorn hope of the Bosnian Serbs that the men, along with six others, might be freed. The tribune said it was considering indicting General Djorde Djukic, a close aide to General Mladic, and Colonel Aleksa Krsmanovic for war crimes. If the angry rhetoric of the Bosnian Serbs is to be believed, the detentions could threaten the freedom of movement for Sarajevo residents in and out of the Serb suburbs — if not the agreement itself.

"General Djukic must be released if peace is to be reached in the territory of Bosnia-Herzegovina," said General Milan Gvero, the deputy commander of the Bosnian Serb Army general staff.

In addition to canceling a meeting with Mr. Bildt, the Serbs threw the UN special coordinator for Sarajevo, William Eagleton, out of a factory he was touring in a Serbian-held suburb.

NATO troops, who have sought to stay out of the disputes, are being sucked in. Nearly every night for the past two weeks in this suburb, gunmen have fired on their vehicles, grazing several soldiers and shattering windshields. NATO officials said it was just a matter of time before a soldier was killed or seriously wounded.

The killing by a French sniper team two weeks ago of a Serb described as "a gunman" has only exacerbated Serbian anger. NATO officials said the man, although armed, had not fired his weapon before he was shot. The Serbian authorities, insisting that the man was a guard, have called the killing murder.

"The tension is increasing," said one senior NATO official, "and we are all working as hard as we can to get the temperature down. It is all very fragile."

Admiral Leighton Smith, the force commander, traveled to the Bosnian Serbian military headquarters in Pale on Wednesday to appeal for clam. The American asked the Serbs to be patient while the war crimes tribunal examined evidence against the detained officers.

The two officers were arrested after making a wrong turn near Sarajevo.

The International Committee of the Red Cross and officers of the UN international police task force in Sarajevo have asked to visit the detained Serbs.

As the situation in the capital smoldered, Croats in the south Bosnian city of Mostar denounced European Union arbitration to unite the city.

Several hundred protesters surrounded the Hotel Ero where the EU administration is based, smashed two of its cars and occupied the offices. At least one shot was fired, but there were no reports of injuries.

An angry crowd of several hundred Croats, who say that the unification plan favors Muslims, jumped and rocked the car carrying Mr. Koschnick for more than an hour as police watched impassively. Mr. Koschnick was not injured.

Mostar saw some of the fiercest fighting of the 1993-94 war between Muslims and Croats, now nominal allies.

"The municipal council announces the severance of all ties with the EU in Mostar," Mijo Brajkovic, the mayor of the Croatian part of Mostar, told local radio. "The municipal authorities believe that by this act the mission of the EU in Mostar has definitively come to its end."

Pedro Ugarte/Agence France-Presse

SECURITY FOR THE POPE — Nicaraguan security officials gathering at Cavvario Church in Massaya after two sticks of dynamite exploded there hours before John Paul II landed in Managua, 20 kilometers away.

Italy Leaders Argue Over Role of Slated Prime Minister

Compiled by Our Staff From Dispatches

ROME — Divisions grew Wednesday between political leaders over how to define the role of the prime minister-designate, Antonio Maccanico, who is trying to put together a government.

President Oscar Luigi Scalfaro asked Mr. Maccanico to come up with a cabinet supported by the general agreement of Italy's parties that he should oversee constitutional reforms to stabilize the political system.

But Gianfranco Fini, head of the rightist National Alliance, said it was "unacceptable" for a Maccanico government to be approved by Parliament without first defining what the reforms would be.

Mr. Fini favors having a popularly elected president with increased powers who would choose the prime minister. Italy's president now is elected by Parliament and has mainly ceremonial duties aside from designating a prime minister and calling elections.

On Tuesday, Massimo D'Alema, the leader of the former Communists, said it was up to Parliament to work out the kinds of reforms to be pushed.

"The government will be born only if there is a majority that is unequivocally aimed at reaching one objective" — a popularly elected president, Mr. Fini said. He added: "D'Alema's proposal is unacceptable. The government cannot be neutral on reforms."

Mr. Fini has been calling for a referendum on whatever reform is passed and on a minority alternative if the solution Parliament comes up with is unacceptable to the right.

"I've read the document D'Alema presented to Maccanico," Mr. Fini said. "It doesn't even mention a French-style presidential system."

Mr. D'Alema opposes the notion of a referendum, saying it could override what Parliament decides.

Raffaele Costa, the leader of a small party in the Freedom Alliance, said the bloc would demand that the government be an "active guarantor of reforms."

Mr. Maccanico, who has been holding talks with parties to try to form a government, earlier declined to say how long the talks would take.

Umberto Bossi, leader of the federalist Northern League, said after meeting Mr. Maccanico that the prime minister-designate appeared optimistic and thought talks would last another two or three days. *(AP, Reuters)*

UN Leader Dangles a Carrot to U.S. Over Dues

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — Secretary-General Boutros Boutros Ghali has proposed several steps to pull the United Nations back from what he called "the edge of insolvency," including giving the U.S. Congress a greater incentive to pay back dues by cutting the U.S. share of the UN budget to 15 percent or 20 percent from 25 percent now.

But Mr. Boutros Ghali stopped short of accepting a recommendation from the UN's top management experts to make the most drastic personnel cuts in the world body's 50-year history. That would have trimmed 1,150 positions from its 10,000 permanent employees.

Instead, while acknowledging that staff reductions will be required, he deferred mentioning specific numbers until the heads of the UN's various departments recommend ways to save money. "The full impact of the reductions will become clear only after the completion of this review," Mr. Boutros Ghali said.

By choosing this approach, the secretary-general seemed to express the view — one shared by most member countries — that the UN's most pressing need is to persuade the United States to pay the back dues it owes.

Otherwise, he appeared to be saying, the organization will be mired so deeply in debt that there will not be any point in pursuing the reforms and economies that Congress and the Clinton administration demand as the price for continued U.S. financial patronage.

Four months after 128 heads of state and government gathered here to laud the United Nations on its 50th anniversary, Mr. Boutros Ghali gave a grim message to a General Assembly working group trying to combat the worsening financial crisis. As of Jan. 15, he said, member countries were $3.3 billion in arrears — $1.6 billion to the regular budget and $1.7 billion for peacekeeping activities.

About $1.5 billion of that amount is owed by the United States, which is assessed 25 percent of the regular UN budget and 31 percent of the peacekeeping costs. But for years, Congress has refused to fund these obligations in full. Last year, it unilaterally reduced the U.S. peacekeeping contribution to 25 percent.

Hostility toward the United Nations has climbed to an all-time high under the present Republican control of Capitol Hill.

To help counter the complaints from Capitol Hill, the Clinton administration persuaded the General Assembly to adopt a no-growth budget of $2.6 billion for 1996-1997.

To reduce spending by $118 million, the management experts proposed sweeping personnel cuts.

But, in his presentation Tuesday, Mr. Boutros Ghali chose to turn that recommendation aside for the time being and emphasize what he called "the immediate crisis caused by the failure to pay assessments when due."

He pledged to appeal for quick payment to the heads of each delinquent government, and he called for a special session of the General Assembly to address the financial crisis.

Members of the U.S. delegation here said afterward that his comments were generally in line with the Clinton administration's position.

Republican spokesmen in Congress were more blunt. "We are disappointed that he didn't embrace even the modest goal of a 10 percent cut in the UN bureaucracy," said Marc A. Thiessen, spokesman for the Senate Foreign Relations Committee, whose chairman, Jesse Helms, is among the United Nation's strongest critics.

"We think real reform means a cut of 50 percent."

New Haiti Chief's Problem: Old Chief

By Douglas Farah
Washington Post Service

PORT-AU-PRINCE, Haiti — As René Préval was sworn in as president Wednesday in Haiti's first democratic transition, he faced an unusual challenge from his enormously popular predecessor, Jean-Bertrand Aristide.

Even before leaving office, Mr. Aristide had begun campaigning for reelection in the year 2000. And he left Mr. Préval most of the tough choices on pressing economic and security issues.

"One of the biggest legacies Aristide is leaving us is that he is leaving, and that is a first," said a political analyst who has worked with Mr. Aristide. "But he is trying to position himself for five years down the road, and that means Préval will be weakened before he even starts."

Mr. Aristide, Haiti's first democratically elected president, won 67 percent of the vote in the 1990 election. He was overthrown by the military seven months after he took office and was returned to power by U.S. troops on Oct. 15, 1994.

In a move not likely to please Washington, the government announced Monday that as his last act as president, Mr. Aristide had resumed diplomatic ties with Cuba.

Mr. Préval took the oath of office in a ceremony 10 years to the day after the collapse of the Duvalier dictatorship.

"We are all on the edge of a precipice," he told Radio France International hours before he was sworn in. "We must create a climate of mutual respect. First of all, the state must stop stealing. And those who have money must pay taxes."

Mr. Préval served as Mr. Aristide's first prime minister and spent the years in exile at his side. Mr. Aristide chose him as their party's presidential candidate, but then barely endorsed him during the campaign late last year.

Just weeks before the Dec. 17 election, Mr. Aristide was floating the idea of staying in office although the constitution forbids consecutive terms.

Mr. Préval won 80 percent of the vote, but less than a third of the voters bothered to turn out. And Mr. Aristide has made it clear that he expects to remain a major political force.

"Préval will start his term with an 800-pound gorilla on his back," said a person close to both men. "That gorilla is Aristide. Without his support, Préval cannot govern. And with his support, Préval cannot be his own person. It will be a very delicate line."

People with information about the matter said Mr. Aristide vetoed the first choice for prime minister, Gérard Pierre-Charles, who was acceptable to Mr. Préval. Mr. Pierre-Charles is the formal leader of Mr. Aristide's Lavalas party, which holds a majority in Parliament. Mr. Aristide is said to favor the incumbent, Claudette Werleigh.

Mr. Préval begins his term facing difficult decisions that Mr. Aristide put off. Chief among them will be whether to carry out a program of privatizing nine state companies — a primary condition for receiving desperately needed foreign aid. Mr. Aristide committed himself to the plan, but when faced with political opposition from his followers, he backed off.

Mr. Préval has also asked that 2,000 of the 6,000 UN peacekeepers here stay on after their mission ends Feb. 29. The United Nations is studying the request.

GERMANY: *Struggling With Social Costs*

Continued from Page 1

Payments to the pension system are one of several nonwage costs that are rising. Such costs are shared by employers, so doing business in Germany is becoming more expensive, resulting in factory closings and job losses. Also, as deductions from paychecks grow, net wages continue to shrink.

As unemployment spreads, fewer people contribute to the public-pension system, thus widening the deficit. To make up the difference, mandatory contributions will likely have to rise further.

But for such a high price, Germans get a state system that pays for everything from spa visits to early retirement.

Under a loophole created in 1957, companies can lay off older workers and the state will finance most of the severance costs. Because such workers technically have not reached the minimum retirement age of 62, they collect unemployment benefits until they "retire" and then get state pension checks.

That provision, part of Germany's first serious pension reform, was created at a time when jobs were abundant, so few companies used it.

Then came unification in 1990, recession in 1993, and early retirement quickly became a state subsidy for cheap layoffs. Teetering East German companies quickly seized on it, followed by West German giants like Volkswagen.

In 1992, 54,000 Germans took early retirement under the plan. Last year, the number rose to nearly 300,000.

For every 100,000 that accept early retirement at age 58, the federal government doles out 9.2 billion Deutsche marks ($6.27 billion) in unemployment benefits and, later, 12.7 billion DM in pension checks.

Meanwhile, the companies that unload the workers pay only 1.8 billion DM in severance costs.

This has led to an unusual alliance between unions and industry in trying to preserve the system, noted Karl Hinrichs of the Center for Social Policy, a Bremen-based research center.

And even if all of Mr. Blüm's reforms are carried out, they will not yield any economic relief until the year 2000. Many workers who accepted such packages since unification are now reaching age 60, and thus are eligible for pensions.

The opposition Social Democratic Party, and private economists as well, warn that social security costs will rise to 19.9 percent of gross wages next year from 19.2 percent this year.

EUROPE: *Crisis Skills Deemed Wanting*

Continued from Page 1

brooke declared before the latest crisis that the United States would make Cyprus one of its top foreign policy priorities this year. President Bill Clinton has appointed the New York lawyer Richard Beattie as his special envoy to the island.

Mr. Holbrooke said the more aggressive diplomacy adopted by the administration reflected its anxiety about the dangers of a clash between two NATO allies in the southeastern Mediterranean and the painful realization that Europe is not ready to assume greater responsibility for its own security problems.

Turkey and Greece have acquired more heavy weaponry than any other nations in the last three years as a result of NATO's redeployment of armor, artillery and other firepower from the central European region toward the flanks. This policy, known as "cascading," is a consequence of the conventional arms treaty that was signed by NATO and Warsaw Pact countries shortly before the Soviet empire was dissolved.

As a result, any military conflict between the two Aegean rivals would likely produce a far more devastating war than could have been imagined in the past because of their enormously increased firepower, U.S. officials said.

But the new American activism in Europe also reflects disillusionment with multilateral diplomacy, both with the United Nations and the European Union.

"The lessons of Bosnia are clear for all to see," Mr. Holbrooke said.

"Unless the United States is prepared to put its political and military muscle behind the quest for solutions to European instability, nothing really gets done."

Meetings of European foreign ministers to thrash out common policies, participants say, have become hopelessly bogged down in arguments as trivial as the order of the agenda and where to hold the next meeting. The struggle to achieve "foreign policy by committee" has threatened to paralyze the Union when it expands to as many as two dozen members over the coming years.

President Jacques Chirac of France plans to rectify this structural problem by urging his fellow European leaders to appoint a foreign policy "czar." For a three-year term, the official would represent Europe in major diplomatic crises with one voice. Mr. Chirac has even proposed one of his predecessors, Valéry Giscard d'Estaing, for the post.

But the French idea has not won much support from Germany, Britain or other key EU members and seems likely to be discarded when it is formally unveiled next month as EU members open talks on how to reform their decision-making machinery ahead of the planned enlargement. Mr. Holbrooke, among others, wonders whether Europe's show of fecklessness on Bosnia and the Greek-Turkish dispute represents cultural rather than structural shortcomings.

"The real mistake of the West during the Bosnia war was the failure to put the credible threat of force behind diplomacy," he said. "Once we finally used air power in a serious way, it worked. Everybody must share in the blame, but the Europeans in particular need to think hard about their misconceptions of using force to avoid future wars."

CRIME: *It's 1984 in 1996*

Continued from Page 1

human patrols. The new system in Baltimore could cost up to $1 million for the 16-block trial area.

The Redwood City system, developed by Trilon Technology, has cost $25,000 so far.

It is still being tested in this racially diverse, middle-class city of 70,000 people.

But a similar system, using a type of sonar spun off by Defense Department research, may soon be installed in Washington or another major city.

Officials at Alliant Techsystems, which is developing these acoustic sensors under a federal grant, say their system can reduce the time it takes the police to respond to a shooting by about 85 percent.

"You can get there so much faster that the difference may literally be between life and death," said Bill Labuda, who is developing the system.

Civil libertarians on the left and gun enthusiasts on the right have had only minimal complaints about the new system. But there is a concern that once a technology is in place, it can be used to pry, spy or otherwise go well beyond the mere recording of events in public places.

"I think this is a great tool — it's wonderful what it's done already," said Ms. Miller, who lives in the part of Redwood City that has been wired for gunfire. "But if they wanted to, the police could slightly alter it to listen in to homes. That's where the Big Brother stuff comes in."

CHINA: *Beijing Sold Nuclear-Arms Gear to Pakistan, U.S. Finds*

Continued from Page 1

Pakistan and we have raised these concerns at very senior levels," the senior official said at the State Department.

"We will do whatever is required under U.S. law, but we have to have a very high degree of confidence in our evidence," the official added. "As of now, we have not determined that China has done anything that would trigger sanctions under U.S. legislation. But this is obviously under continual review."

The aim of the sanctions would be to punish China for assisting Pakistan's production of highly enriched uranium, a key ingredient of nuclear weapons. But U.S. officials say the nuclear transfer is only one of several recent actions by China that may wind up disrupting its commercial and diplomatic relations with the United States.

China's export to Iran late last year of anti-ship missiles — confirmed last week by a senior U.S. Navy official — may also qualify as a sanctionable offense, according to some U.S. officials and lawmakers. Another U.S. law requires sweeping economic penalties against any nation that gives "destabilizing numbers and types of advanced conventional weapons" to Iran, which Washington has branded a terrorist nation.

U.S. officials said that the number of missiles sold by China may not be large enough to force the drastic cutoff of development bank assistance, technical assistance, military exchanges and sensitive exports mandated by the law. But four senators recently wrote to Mr. Clinton to say that either sanctions or a waiver are required in this case.

"There's a recognition that this is going to be a very difficult year in U.S.-China relations," a senior State Department official said.

He explained that with China in the midst of a difficult transition to new political leadership and "our own domestic environment" affected by the coming presidential election, the two nations may find themselves being pulled toward opposing positions on matters they previously sidestepped or settled by compromise.

Washington has long had concerns about Chinese military assistance to Pakistan, which Beijing regards as a military counterweight to India. U.S. intelligence officials have alleged that Pakistan's nuclear arsenal is largely derived from design information supplied by China — a charge that Beijing denies.

U.S. intelligence reports have also pinpointed the apparent location in Pakistan of crated, Chinese-made, medium-range missiles. If confirmed, their presence would force a cutoff of billions of dollars worth of U.S.-China trade.

But the administration has decided that no sanctions need be invoked until the missiles are sighted outside their crates.

TAIWAN: *U.S. Plays Down China Threat*

Continued from Page 1

might be planning an attack on Taiwan around the time of its elections on March 23.

Chinese officials are reported to have said that they are considering missile attacks, a blockade or an invasion should Taiwan move toward a formal separation with China. Beijing has fired surface-to-surface missiles into the sea about 100 miles (160 kilometers) north of Taiwan, and held exercises on land near the strait.

The South China Morning Post, an English-language daily in Hong Kong, reported Wednesday that President Jiang Zemin of China has been unable to countermand army generals who are "keen to push ahead with plans for a military invasion of the island."

Strong pro-Taiwan sentiment among some members of Congress also appears to have worried Beijing. On Tuesday, for instance, a Democratic senator, Paul Simon of Illinois, called for the United States to use air power to defend Taiwan if China attacked the island.

In his testimony, Mr. Lord described the recent cross-strait friction as part of a pattern, beginning in 1988, in which Beijing displays increased bellicosity during Taiwan's elections.

Two trends were clashing, he said: Moves to greater democracy in Taiwan have amplified the voices of those opposed to reunification, while in the People's Republic of China, a prickly and strident nationalism has been growing amid doubts over the political succession to the aging leader Deng Xiaoping.

"There is a danger that Chinese nationalism in the PRC may collide with Taiwan's search for international recognition and status," Mr. Lord said.

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INTERNATIONAL

Jordan Close to Ending Breach With Saudis and Kuwait

By Douglas Jehl
New York Times Service

CAIRO — With a toughened stand against Iraq, King Hussein of Jordan has brought his country close to full rapprochement with Saudi Arabia and Kuwait, who had refused to forgive Jordan for supporting the Baghdad government during the Gulf War.

For the first time since 1990, the Jordanian monarch will travel to Saudi Arabia this weekend to meet with that country's leaders. The journey was announced after King Hussein installed an open critic of President Saddam Hussein as his new prime minister, and it follows an exchange of correspondence between the ruling families of Jordan and Kuwait that was the first since Iraq's invasion of Kuwait.

As punishment for its pro-Iraqi stand, both Saudi Arabia and Kuwait have steadfastly refused to sell oil to Jordan, leaving that country to rely on Iraq as its only source of energy. But with a shift that began last August, when it granted asylum to a prominent Iraqi defector, Jordan appears to have persuaded those Gulf states that it is now intent on maintaining a hard anti-Baghdad line.

While Jordan will very likely continue to import oil from Iraq under an arrangement permitted by the United Nations, its success at mending fences with Saudi Arabia and Kuwait may provide King Hussein with important reassurance as he distances himself from Baghdad.

The new prime minister, Abdel Karim Kabariti, as foreign minister over the last year, has led Jordan in moving away from Iraq and toward establishing closer ties with Israel and the United States.

The renewal of close relations between Jordan and Saudi Arabia and Kuwait has been a top U.S. priority since Amman welcomed the defector, Lieutenant General Hussein Kamel, the son-in-law of Saddam Hussein. U.S. officials see a rapprochement as likely to add to Baghdad's isolation by reducing Jordan's reliance on Iraqi oil and other trade.

Mr. Kabariti, who is 46, was named as part of a cabinet shake-up that elevated a younger generation of politicians and technocrats to power in what King Hussein said would lead to "a pure white revolution," modernizing the kingdom.

But in an official letter of appointment, the Jordanian monarch also appeared to instruct the new prime minister to promote a change of regime in Baghdad.

"We declare that we stand with the Iraqi people and with every effort that may relieve its suffering and enable it to achieve its rights to democracy and pluralism," he said.

When he last visited Saudi Arabia two years ago to perform a minor pilgrimage to the holy city of Mecca, King Hussein was snubbed by King Fahd of Saudi Arabia, a powerful sign of the ostracism to which he and Jordan remained subjected.

But after his country's sharp change in course, the Jordanian monarch is expected to be received this weekend by both the ailing Saudi leader and Crown Prince Abdullah ibn Abdulaziz, to whom he transferred power last month.

Before the Amman regime expressed sympathy for Iraq's invasion of Kuwait, Saudi Arabia delivered about 40,000 barrels of oil a day to Jordan. It cut off that flow in September 1990, and the pipeline between the two countries has not been used.

As part of the emerging rapprochement between the two countries, however, the Saudi ambassador to Jordan announced last month after a visit to Amman by the country's foreign minister that his government had "expressed its full readiness to supply Jordan with any oil it needs."

The rift between Jordan and Kuwait has been even deeper, with Kuwait cutting off official aid to Amman and demanding that it apologize for the sympathy it showed to Mr. Saddam.

There have been sporadic signs of improvement in relations in recent months, including two meetings between Mr. Kabariti, then Jordan's foreign minister, and the Saudi foreign minister, Sheikh Saba al Ahmad al Sabah.

Yet, the exchange of letters this week between the crown princes of Kuwait and Jordan is regarded as even more significant because Sheikh Saad al Abdullah as Salim as Sabah of Kuwait has strongly opposed ties with states that sided with Iraq.

Jordan announced last month that it was halving its official exports to Iraq, now estimated at $1 billion a year, for failure by Iraqi authorities to pay Jordanian traders who supply goods. But Jordan continues to import Iraqi oil at about 75,000 barrels a day in return for food and other goods, and Western diplomats in the region conceded in interviews that the Amman government was not eager to end that barter arrangement.

Still, the diplomats said they believed the mending of relations between Jordan and the Gulf states might embolden King Hussein to put further distance between his government and Baghdad. Jordan has stopped talking about a conference of Iraqi opposition groups, but Crown Prince Hassan met with some of their leaders in London and Hussein is expected to do the same in Britain next month.

Arafat Vow On Charter

Washington Post Service

GAZA — Secretary of State Warren M. Christopher on Wednesday secured a renewed commitment from Yasser Arafat to amend a 1964 PLO charter calling for the destruction of Israel, a step that would clear the way for final Israeli-Palestinian peace talks.

Speaking to reporters after a meeting with Mr. Arafat, Mr. Christopher said that the Palestinian leader had agreed to take steps to amend the covenant "in a timely fashion."

Israeli officials say they will not agree to "final status talks" on the Gaza Strip, the West Bank and East Jerusalem until the Palestine Liberation Organization removes the clause from its covenant, while many members are loath to bow to Israeli pressure.

Air Cover For Kurds Extended

The Associated Press

ANKARA — Turkey and Allied forces agreed to continue a mission of the U.S.-led Western air force that protects Iraqi Kurds, the Foreign Ministry said Wednesday.

Military officials from Turkey, Britain, France, and the United States held talks here Tuesday concerning the mission, called Provide Comfort.

The mandate is due to expire at the end of March, and Parliament will vote next month to decide the fate of the mission.

U.S., British and French warplanes protect a no-flight zone north of the 36th parallel in Iraq. The flights aim to deter Iraqi attacks on the semi-autonomous state set up by 3.5 million Iraqi Kurds.

Turkish opponents of the mission argue that it allows Turkey's Kurdish rebels to operate freely in northern Iraq.

New Polish Cabinet Mirrors The Government It Replaced

Agence France-Presse

WARSAW — Poland's new prime minister, Wlodzimierz Cimoszewicz, presented a new government on Wednesday, ending a crisis triggered by the resignation of his predecessor, Jozef Oleksy, over allegations that he spied for Moscow.

The new 20-member cabinet was sworn in by President Aleksander Kwasniewski.

It closely resembles the outgoing administration, with six portfolios held by the Democratic Left Alliance, as the former Communists now call themselves, eight by the Polish Peasant Party and six by nonparty ministers.

Most significant of the new arrivals are Zbigniew Siemiatkowski, a former Communist and close associate of Mr. Kwasniewski, who becomes interior minister, and the independent Leszek Kubicki, a supreme court judge who becomes justice minister.

Mr. Kwasniewski said he hoped the new team would provide stability with a program of "social peace and development."

The government should "lead the country to legislative elections" due next year and carry out "important social reforms," he said.

Its objective will be to lead Poland toward membership in the European Union, the North Atlantic Treaty Organization and the Organization for Economic Cooperation and Development, he said.

Under Mr. Kwasniewski's predecessor, Lech Walesa, Poland saw a rapid turnover of prime ministers.

Mr. Kwasniewski narrowly defeated Mr. Walesa in December on a program that broadly maintained the pro-market leanings of previous post-Communist governments.

Mr. Cimoszewicz said he would maintain "continuity in foreign, economic and social policy."

■ U.S. Reassures Poland on NATO

Assistant Secretary of State Richard C. Holbrooke reassured Poland on Wednesday that its prospects for joining NATO were unchanged, despite a spy scandal and strong opposition to NATO expansion from Moscow, Reuters reported from Warsaw.

"We are steady on course for expansion of the alliance," Mr. Holbrooke said after meeting Foreign Minister Dariusz Rosati.

"Mr. Holbrooke was very clear," Mr. Rosati said, adding that Mr. Holbrooke "said the earlier decisions will be maintained and the process of our accession will be neither accelerated nor slowed down, which satisfies us very much."

He said he hoped Poland could obtain a final decision from NATO on its membership at a ministerial meeting in Brussels in December.

The visit is billed as part of a farewell European tour by Mr. Holbrooke, who is about to leave his post as assistant secretary for European and Canadian Affairs.

Border Area Paralyzed by Snow in U.K.

Compiled by Our Staff From Dispatches

LONDON — Half of Scotland's schools were closed by snow on Wednesday, and thousands of people in Britain were still without power after one of the worst snowfalls in memory.

Road links between southern Scotland and the north of England reopened after two days, but the police warned drivers to expect freezing fog.

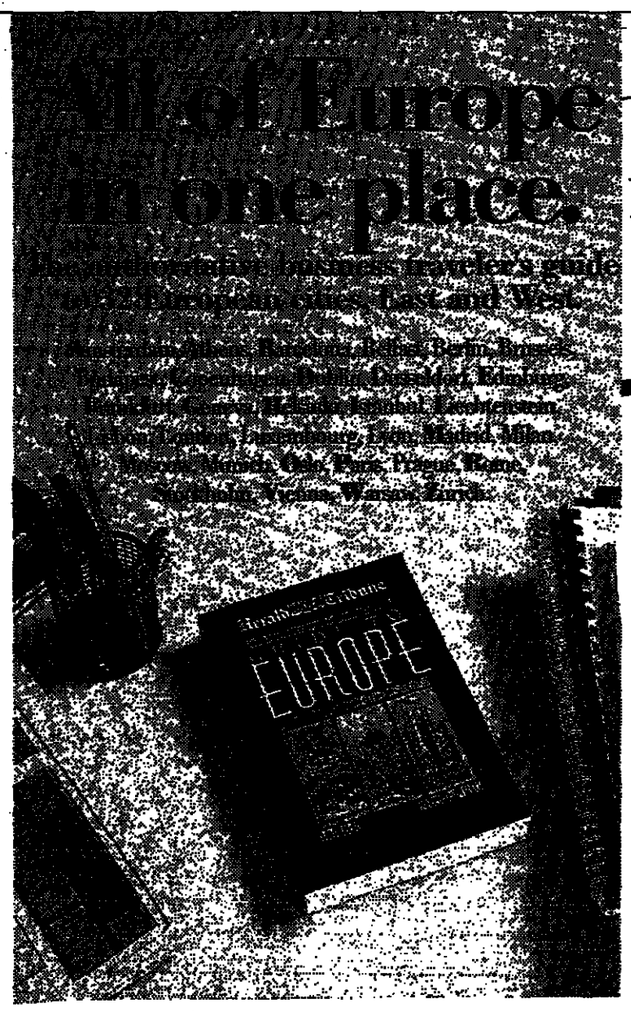
Schools remained closed through large areas of Scotland and the police in the Dumfries and Galloway area, one of the worst affected, said it would be some time before the region returned to normal.

Weather forecasters in Wales, where 5,000 people were without power for a third day, predicted that up to 16 centimeters of snow would fall later Wednesday.

Record cold forced Denmark's icebreakers into action Wednesday for the first time in nearly a decade, clearing the inner Danish straits for stranded ships. *(Reuters, AP)*

David Jones/The Associated Press

Schoolchildren near Birmingham, England, taking to the slopes Wednesday as schools were closed due to snow throughout central England and Scotland.



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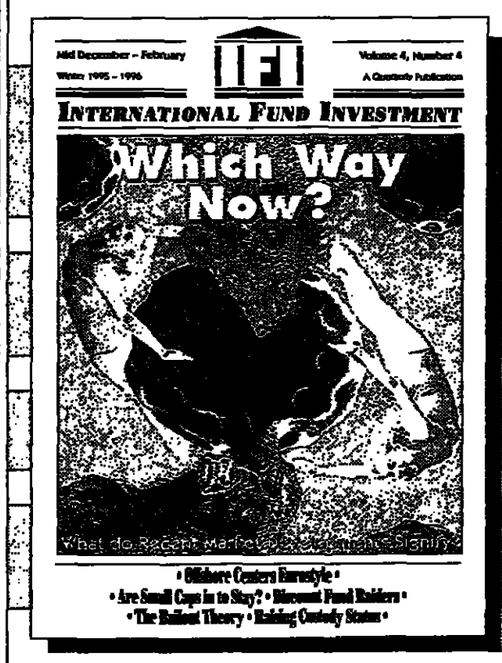

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Loophole for Iraqis

Saddam Hussein may soon be passing through the humanitarian loophole that the United Nations made for Iraq in its post-Kuwait embargo. If it happens, it will be a blessing for huge numbers of innocent children and other Iraqis whom Saddam has chosen to starve and make suffer rather than accept the United Nations' terms for selling oil to pay for the aid. But it will be something of a burden — one that the United States should and can bear — on American policy.

The UN conditions were just. It was demanded that Iraq allow the United Nations to oversee dismantlement of nuclear, biological and chemical warfare programs and ensure that oil revenues go to approved and supervised uses, including relief of rebel Kurds and Shiites. For five years after a U.S.-led coalition thwarted his invasion of Kuwait, Saddam found the conditions unacceptable. Now talks in New York are exploring hints of a change of mind.

At the time, the international coalition and the American consensus supported dislodging Iraq from Kuwait but not dislodging Saddam Hussein. Many, including George Bush, have regretted the decision, but that is so much spilt milk. The subsequent embargo was intended to make sure that Saddam would no longer endanger oil supplies or his neighbors, and it has done that. But the embargo has not driven him from power. Instead, he let children starve, claiming that Iraq's dignity would not permit him to use the humanitarian loophole that the United Nations had written in.

He may now exploit any partial lifting of the embargo and profit politically as well as economically from the sale of oil at an annual rate of $4 billion. This could happen despite the intent of American policy "to accelerate the demise of the present regime," as Defense Secretary William Perry put it on Tuesday. It is something that the United States must face up to. The fact is that the Iraqi dictator — not the coalition — inflicted vast and unnecessary tragedy on his people by not using the loophole earlier. The allies cannot possibly put off their relief.

Iraq remains the strongest power in the region. Mr. Perry says, and still shows an aggressive intent. Saddam sits in Baghdad and may have hidden away further weapons of terror. His endurance is regrettable, but he was defeated in war and continues to be largely contained and closely watched. The United Nations can do its part in the current talks by holding Iraq to the full terms it set for partially lifting the embargo.

— THE WASHINGTON POST.

Fixing Up the UN

Even Americans who ardently support the United Nations will welcome two important developments this week at the financially strapped world organization. Some 10 percent of the permanent staff of 10,000 in New York is to be laid off by 1998, according to Undersecretary-General Joseph Connor, the chief financial officer. This finally addresses the long-standing, and justified, complaint that the UN payroll, 54,000 worldwide, is bloated.

Equally welcome is Secretary-General Boutros Boutros Ghali's refreshing proposal to cut Washington's contribution from 25 percent of the organization's $2.6 billion yearly budget to a more reasonable 15 or 20 percent. The American share of separate peacekeeping costs is still higher, at 31 percent.

It has not been wise for the United Nations or the United States to have a single member pay a fourth of the organization's budget, a sure formula for sowing resentment and incurring unhealthy dependency. This excessive tithe has over the years tempted successive presidents and Congresses to ignore treaty obligations and punish the United Nations by withholding funds or unilaterally slashing peacekeeping dues, as Congress did last year.

The total U.S. shortfall is reckoned at $1.5 billion, which is more than half the aggregate unpaid dues of $2.3 billion by all member states. Reform is clearly needed, but if the American share is cut, as the secretary-general suggests, other countries would have to increase theirs. Already on the table is a British-French plan that would permit the United Nations to charge interest on unpaid dues, tie dues to a country's relative wealth and penalize deadbeats with loss of voting and hiring rights. This seems a self-injuring way of alienating, rather than building, American support for the United Nations.

Still, there may be room for compromise. By now there is general agreement that the American share of the UN budget and peacekeeping costs is too high. Why not let Washington pay what it already owes as precondition for a fairer assessment formula? For its part, the United Nations has already begun to reform its lax budget system, and at U.S. insistence last year appointed Undersecretary-General Karl Paschke of Germany to be the equivalent of an inspector-general.

Further staff cuts should be made, and the United Nations needs greater discipline about agreeing to costly new ventures, especially peacekeeping. Lack of real accountability and of rigorous financial controls in a multinational bureaucracy can only undermine trust in the organization itself. The vigilant oversight of Mr. Paschke is the vital complement to budget reform. In all senses, the United Nations should operate in a glass house.

— THE NEW YORK TIMES.

Clinton Has to Choose

President Clinton said in an interview in The Washington Post last week that he had compiled a record of "remarkable consistency" in office. It is fair to say that not everyone would agree. The question of what he ultimately stands for was already going to be a major issue in the fall campaign. Now the National Governors' Association has sharpened the question with its set of split-the-difference proposals on Medicaid, welfare, food stamps and aid to the poor and states in general.

The proposals, meant to end the impasse between the administration and congressional Republicans on balancing the budget, are a test for the president in that they claim to provide guarantees that they do not. Does he, too, make the claim, or does he turn the proposals down in their current form?

His position on Medicaid has been to insist on a federal guarantee of care to the needy young, elderly and disabled. That is what the current program provides and what the Republicans, by converting the program to a series of block grants to the states, would drop.

The governors' way out of the dilemma is to retain a guarantee of care, but to only some of those now covered. They would shift to the states the right to define care, by giving them "complete flexibility" to determine the "amount, duration and scope of services." What you have is the shell of the current guarantee without the substance. The president may want a deal, and he surely does not want to seem to be stiffing the governors, but he can't buy that.

The value of food stamps would likewise be reduced, and welfare would basically cease to be a federal program. The states would run it; the federal role would be to contribute limited funds. The president campaigned on a promise to reform the program. This would be less a reform than a handoff.

Mr. Clinton's commitment to principle was already going to be challenged in the campaign. In his first year in office he moved commendably to narrow the deficit; by his third year he was ignoring it, and now he is lecturing the Republicans about the need to adopt the balanced budget in seven years that they spent most of last year bludgeoning him to embrace. Meanwhile, he has yet to propose a serious such plan of his own and defers the greater issue of how the country should prepare itself for the retirement of the baby boomers. Who will pay the cost of that?

He has bounced around on taxes as well, first urging a middle-class tax cut, then supporting an upper-income tax increase instead to reduce the deficit, now supporting a middle-class cut again in part to blur his differences with the Republicans even as he denounces them for proposing too large a cut of a different kind. Last year he made some speeches to upper-income groups saying that he had not wanted to raise their taxes that much in 1993 but had no alternative. What does he think tax policy should be?

On welfare as on other questions, Mr. Clinton has been in and out of a lot of different policy positions in the past three years. Time now to choose.

— THE WASHINGTON POST.

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Beware, Traders, We All Have our Zyuganovs

By Thomas L. Friedman

DAVOS, Switzerland — As a barometer of global affairs, the annual Davos World Economic Forum is as good an indicator as you can find. The meeting brings together top industrialists and political figures from every corner of the world. Each year, one or two individuals stand out as trend-setters. One year it was Nelson Mandela, then Shimon Peres and Yasser Arafat, then Russian reformers.

And that is why this year's Davos forum was so interesting. Because this year the star — the man everyone wanted to interview — was a Communist: Gennadi Zyuganov, head of Russia's resurgent Communist Party.

Think about that. The Davos forum is the ultimate capitalist convention. It is an annual celebration of globalization — that loose combination of free-trade agreements, the Internet and the integration of financial markets that is erasing borders and uniting the world into a single, lucrative but brutally competitive marketplace. And who is the star but this dinosaur from the Jurassic period of the Cold War. How come?

It is because the business and political leaders here seemed to intuitively understand that Mr. Zyuganov is the cutting edge of a new global trend — the backlash against global integration and free trade arrangements, which have created many winners but also many losers. The losers are now asserting themselves, whether it is labor unions in France, Pat Buchanan supporters in America or pensioners in Russia.

The economics minister of a leading developing country confided to me that his government was desperate to become part of this new global marketplace. He and his colleagues at the top understand that in order to survive economically and attract foreign investment they have to open up their markets and upgrade their telecommunications, airports and commercial laws.

But, he added, "Half the time I am dealing with bureaucrats who don't understand this new game, and half the time I am dealing with workers who are not prepared to compete. We will join in, but it is going to be very painful for some of our people. The cost will be a lot more social unrest and fanaticism. We all have our Zyuganovs."

Another sign of the times was the fact that the day the Davos conference opened, the International Herald Tribune ran an essay by Klaus Schwab and Claude Smadja, respectively the founder and managing director of the Davos Forum. It was entitled "Start Taking the Backlash Against Globalization Seriously" *(Opinion, Feb. 1)*.

Messrs. Schwab and Smadja are two of the most renowned advocates of global trade and integration. Their essay is the equivalent of the presidents of Ford, General Motors and Chrysler writing an article in the 1960s entitled "Start Taking Ralph Nader Seriously."

They wrote: "Economic globalization has entered a critical phase. A mounting backlash against its effects, especially in the industrial democracies, is threatening a very disruptive impact on economic activity and social stability in many countries.

"The mood in these democracies is one of helplessness and anxiety, which helps explain the rise of a new brand of populist politicians. This can easily turn into revolt ..."

It is now clear, they added, that global integration and free trade are not necessarily win-win propositions. Technological advances and increases in productivity at corporations don't automatically translate into more jobs at higher wages. Unless countries can help their people adjust to this new world, globalization is going to become synonymous with "a brakeless train wreaking havoc."

When I asked him what prompted him to write the essay, Mr. Schwab said: "In the 19th century, people thought the machine was going to destroy their life as they knew it, and today many people think that globalization is going to destroy their life as they know it. We have gotten accustomed to the idea that globalization will inevitably succeed. But I am not so sure anymore. Those of us who believe in globalization need to be more proactive."

He is right. And the successful governments will be those able to design the right formula of worker training programs, tax policies that create jobs and preserve resources, population controls and sustainable social safety nets to deal with globalization.

The good news is that many world leaders are beginning to understand this challenge. The bad news is that no one has found the formula yet.

The New York Times.

Yes, Sanctions Can Be Effective, but You Have to Work at It

By Jim Hoagland

WASHINGTON — Once derided as an ineffective "blunt instrument," economic sanctions have become the main tool of coercive diplomacy in a world in which the major powers are at peace. Increasingly, America and its allies rely on sanctions to change other nations' behavior or regimes.

Washington now faces the need for new attention to three cases that illuminate the strengths and weaknesses of sanctions. They also show how sanctions are a constant source of tension between America and its European allies.

Ex-Yugoslavia, where sanctions have worked — so far. They must be maintained if the Dayton accord is to achieve its purpose fully.

At the Dayton talks, Serbia's Slobodan Milosevic launched every session with impassioned appeals that the international trade and investment restrictions crippling his economy would have to be lifted immediately if there were to be a deal. He made it clear that only sanctions had driven him to negotiate.

A major triumph of U.S. diplomacy in reaching the Dayton agreement was resisting European pressure to ease sanctions first to get Mr. Milosevic's signature on the accord. The Clinton administration insisted on maintaining sanctions as a pressure point until the Serbs deliver on their obligations. Secretary of State Warren Christopher went to Belgrade last Sunday to reinforce that message in person.

But France is privately pressing the United States and its European partners to restore full diplomatic relations with Serbia now so that the lifting of sanctions can begin. Disagreement on this timetable produced the only sharp notes of discord during President Jacques Chirac's visit to Washington last week. U.S. officials fear that France may go it alone on diplomatic recognition of Serbia.

That would add to existing U.S.-European strains over the Dayton accord's deadline for civilian elections next September. The Europeans feel that this goal is impossible. The Americans, determined to get forces out of Bosnia by December, say it is imperative. Clashes loom.

Iraq, where sanctions have worked — up to a point.

Saddam Hussein's bloodthirsty regime has been contained. Sanctions have helped swing Jordan's King Hussein into committed opposition to Saddam's regime, which the monarch confirmed last Sunday by a cabinet shuffle that ousted Saddam sympathizers. But Saddam survives, taunting George Bush and Colin Powell that he is still in power and they are not.

He opened talks with the United Nations this week on Resolution 986, which would permit Baghdad limited oil sales in return for international supervision of the distribution of food and other supplies inside Iraq. The outlook is for drawn-out, unsuccessful talks that Saddam hopes will nonetheless chip away at European and Russian resolve on sanctions.

He rightly fears that UN-run relief operations on Iraqi soil would weaken his ability to terrorize the population. It is his lust for power and war, not sanctions, that has ruined his country and imperiled its children. The Clinton administration says it is determined to resist any changes to Resolution 986. That is the right approach.

Libya, where sanctions are more of a sometime thing for the Clintonites.

When Senate Republicans recently added Libya to a law applying new international investment and trade restrictions to Iran, European ambassadors descended on the State Department to protest. The Europeans had been low-key when the law covered only Iran, where opportunities for profit are limited, but they did not want the apple cart upset in more lucrative Libya.

State Department officials fear overloading the circuits on Libya, already subject to lighter UN sanctions that the Europeans do observe. State wants the House committee now considering the law to keep Iran, drop Libya. The administration also has shown little public interest in challenging the recent visit to Libya by Nation of Islam leader Louis Farrakhan, who may have violated sanctions by his conversations with the Libyan leader Moammar Gadhafi about a $1 billion Libyan fund for Mr. Farrakhan.

With sanctions, the medium is the message. By showing no give on Serbia and Iraq, the administration has consistently moved its policy objectives forward. On Libya, it is conveying an inconsistent resolve and is not getting Colonel Gadhafi to cooperate on solving the 1988 bombing of Pan Am Flight 103. It needs to review its own files on Serbia and Iraq to see where it is going wrong on Libya.

The Washington Post.

Go See How Restricting Family Planning Can Be Lethal

By Perdita Huston

WASHINGTON — The world knows that the U.S. government closed down last month; that petulance combined with irresponsibility to put hundreds of thousands of people in administrative difficulty and emotional limbo. There is more to the story.

The president and Congress continue to bargain over this year's budget, leaving several government agencies without appropriations for the fiscal year that began on Oct. 1. One of those agencies is the Department of State.

The hub of U.S. diplomacy and its handmaiden agencies have been held hostage for five months by a disagreement over funding of international population and family planning programs. Petulance and irresponsibility combined again. The House of Representatives has put U.S. foreign policy operations on the back burner to placate the anti-abortion and anti-family planning zealots.

Last month the Clinton administration could wait no longer. Foreign policy had to move on. The price? The health and well-being of the poorest and least represented in the halls of power everywhere.

Funds for international family planning programs, for training of family planning personnel, for contraceptive research and for contraceptives are reduced by 35 percent. To make matters far worse, funds are subjected to a labyrinth of restrictions, which stipulate no spending until July 1 and strict monthly spending limits thereafter. It is a crippling blow.

Only five months ago, representatives of all governments and half the world's people met in Beijing for the Fourth UN Conference on Women. Consensus was reached on the undeniable link among the major global concerns of poverty, overpopulation, environmental degradation, human rights and reproductive freedom. Major commitments to improve the health and human rights of women and girls were touted, celebrated by all.

How short our memory. Or rather, how little attention is paid to half the world's people or to our children's future. Maybe congressmen should travel out of their districts, reach out of their narrow experience and watch life pass out of a mother of eight who, in giving birth to an unwanted ninth child, suffered a ruptured uterus. Her husband, she whispered, "didn't want to cooperate," and the family planning services once delivered by the local clinic had been shut down for lack of personnel and contraceptives.

It was 1990, in Ghana. The U.S. government had cut off funds to the International Planned Parenthood Federation, which supports its Ghanaian affiliate. An uncooperative husband and a few ill-informed members of Congress had unwittingly become responsible for the loss of a mother.

The easy talk about "family" and "family values" which emanates from politicians is hollow indeed. Families need mothers. They need mothers to survive, to be in good health. And yet it is mothers who are sacrificed on the alter of the anti-abortion lobby.

Strange. How can you avoid abortions if you deny access to family planning? The ideologues feed the fire that fuels their zealotry. And women die.

The writer, who is preparing a book on families around the world and their problems, contributed this comment to the International Herald Tribune.

Steady American Engagement With Russia Is Getting Results

By Strobe Talbott

The writer is U.S. deputy secretary of state.

WASHINGTON — With the help of a U.S. policy of steady engagement with Russia, the Russians have dismantled thousands of nuclear warheads and rocket launchers. Russian troops, having withdrawn from Germany and the Baltic states, are serving alongside their NATO counterparts in Bosnia. The United States is now the largest foreign investor in Russia, and bilateral trade has nearly tripled in the past three years.

America is determined to preserve and, where possible, to deepen and broaden these accomplishments.

On some issues we have differences, such as Russia's intention to sell nuclear reactors to Iran. And there is a backdrop of troubling trends, as Russia's June presidential election approaches. Communists and ultranationalists, tapping into fear of the future and nostalgia for the past, are riding high in the polls and in the Parliament.

Democrats and centrists are divided. An embattled President Boris Yeltsin, poised to announce his campaign for reelection, has dismissed prominent reformers.

Even when the direction of Russian politics is uncertain, the fundamentals of American policy remain clear and consistent. One is that we support democracy. It is not our responsibility to choose Russia's leaders. It never was. The Russian people now have the power to do that themselves.

We believe that the enfranchisement of Russians will, if sustained, be good for their country and for the world. The impressive turnout in December's parliamentary elections suggests that the Russian people are getting used to choosing their leaders.

The Russian media, through their coverage of the devastating use of force in Chechnya, have demonstrated that they cherish their new independence.

Freedom of choice and speech will help move Russia toward the rule of law and the consolidation of a civil society.

As President Bill Clinton has repeatedly stressed, democracies are more likely to be reliable partners in trade and diplomacy, and more likely to pursue foreign and defense policies that are compatible with U.S. interests.

We will advance those interests in the short term as well as the long by giving priority to three objectives:

Nuclear security. We will press for implementation of arms control agreements that enhance international security and reduce levels of lethal weaponry left over from the superpower rivalry. Now that the Senate has ratified START-2, President Yeltsin, Prime Minister Viktor Chernomyrdin and Foreign Minister Primakov have vowed to intensify their effort for ratification by the Parliament.

Meanwhile, we will look for new ways to control dangerous fissile material and enhance the safety of reactors, at a summit meeting in Moscow in April.

An undivided Europe. Russia has yet to comply fully with the Conventional Forces in Europe treaty. We are working hard with Russia and the other treaty signatories to resolve this problem so that it no longer casts a cloud over a broad range of mutually reinforcing European security arrangements.

They include an expanding NATO-Russia relationship as NATO takes in new members; an enhanced role for the Organization for Security and Cooperation in Europe, and increased practical cooperation between NATO and the former members of the Warsaw Pact, through the Partnership for Peace.

Peace and independence. Russia is stepping up its call for economic and political integration among the former Soviet republics. In Eurasia, as in other parts of the world, we oppose coercion and intimidation of neighboring states. We will endorse regional cooperation only so long as it is truly and totally voluntary and only if it opens doors to the outside world.

That sort of integration is our overarching aspiration for a democratic Russia and the other new independent states. It is in our interests and theirs that they join, as soon and as fully as possible, the growing community of market democracies. But the pace of their integration into the West will depend on the pace of their reforms and on adherence to international norms.

These terms of engagement have undergirded administration policy for the past three years. They will continue to serve the United States well in the suspenseful months — and years — ahead.

The New York Times.

Correction

Translation errors distorted two passages in a commentary by Valéry Giscard d'Estaing on this page on Feb. 3. The first passage should have read:

Growth in 1996 will be at least 1 percent less than expected, which reduces revenues and raises deficits.

The second:

Convergence is not diminished if we experience the same decrease in fiscal revenues or if we take similar steps to combat economic slowdown.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Jingo Wins

NEW YORK — Senator William P. Frye, Republican of Maine, has been elected President of the Senate. He is a pronounced jingo and in an interview last year said: "I would not admit to any violation of the Monroe doctrine, to any interference with Hawaii or Samoa; so far as our interests are concerned ... I would annex the Hawaiian Islands at once, improve and fortify Pearl Harbor and lay a cable from there to the Pacific Coast ... I would reach out to take whatever in our opinion was, or might be, necessary to our future commercial supremacy, being careful not to violate the laws of nations and able to justify our conduct."

1921: Insane Killed?

HARTFORD — The Appropriations Committee of the Connecticut Legislature tomorrow [Feb. 8] will begin the consideration of a bill providing for the merciful killing of the hopelessly insane. Several members of the committee are strongly in favor of the measure since they visited the State insane hospital and saw several typical cases, including a giant maniac who is so violent that he must be chained to an iron cot in a padded cell until he dies a natural death. It is not believed the Bill will pass.

1946: Anti-Microbes

LONDON — The Chinese delegation asked the United Nations today [Feb. 7] to "declare war on microbes" by establishing an international health organization. The resolution gained general acceptance in principle from the Economic and Social Council. The resolution stated that the governments of Brazil and China first raised the question of an international health organization in San Francisco.

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OPINION/LETTERS

On the Campaign Menu: Steak, Boredom, Reality

By David M. Shribman

WEST DES MOINES, Iowa — In the back corner of Jesse's Embers restaurant, where hard-bitten waitresses serve thick porterhouse steaks to hard-bitten reporters, and in the service line of the Great Midwestern Cafe, where Barbara Brandt and Helen Rule serve up the thickest slices of blueberry pie in America, the conclusion is dreadly similar: This presidential election lacks passion.

The virtues of porterhouse steaks and blueberry pies are well known and almost beyond debate. The virtues of a boring presidential campaign are less well known.

So here, smack in the middle of one certifiably lifeless presidential campaign — even the surge of Steve Forbes lacks passion, unless you're the kind whose heart races at a discussion of marginal tax rates — is a defense of the dull.

All presidential campaigns should be this boring. Here's why: For months a gaggle of presidential candidates have run around Iowa, meeting individual Americans, talking about issues, presenting their vision of the country, offering their critique of the president, the political parties and popular culture. They've talked about the economy, the tax system and even about Hollywood. They've done it in a civilized, even thoughtful way. If you listened, you probably learned something.

Here's what is missing from this boring campaign: a moral crusade by the press over a trivial issue. A lot of harrumphing about sex and marriage and drugs and the purple haze of the 1960s. The "character issue" — a phrase that the press uses when reporters and commentators are uneasy about some public figure who is riding high.

Among the current issues is Mr. Forbes's proposal for a flat tax, an apt name for the raciest issue in a dull campaign. By now anybody even half awake knows a little about the flat tax: who supports it, how it works, how some taxes are flatter than others, how it might change individual tax returns, how it might even eliminate the Internal Revenue Service. That's a lot to know about a political issue, especially a new one.

One of the reasons the campaign hasn't been clanging many bells is that there have been no disagreements among the candidates on the signature issues of the day: abortion, affirmative action, taxes.

This Republican campaign isn't about insurgency; it's about purity. The result will be a Republican nominee who represents an ideological viewpoint that is defined and refined.

"Both parties will have a clear consensus candidate," says William G. Mayer, a Northeastern University specialist on presidential elections. "That's not such a bad thing. It places more emphasis on the general election."

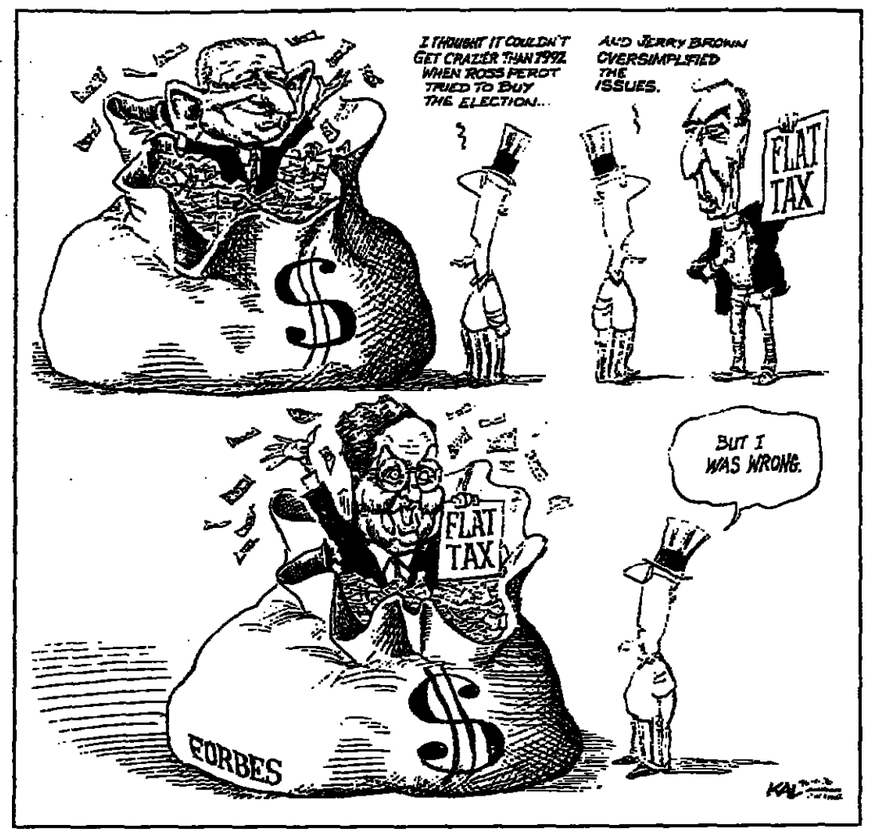
This campaign has moved — as Garrison Keillor put it in a short story on poetry, not politics, in The Atlantic — "away from the dangerous edge of strong feeling and into the barns of boredom." It is slow, plodding, episodic. It is, in short, a lot like life.

A reminder: Campaigns are supposed to educate, not entertain. And this one is setting up a fairly interesting — and spectacularly important — final contest between two (and, before November rolls around, maybe even more) vastly different visions of the country. "By the time the election occurs," says Eddie Mahe, the veteran Republican political consultant, "the public will really have a choice to make."

Maybe a bigger choice than the bored boys on the bus imagine. "The most amazing thing to me is that so many intelligent people don't realize there's a juggernaut coming at them this summer," says Gordon S. Black, a pollster with a good ear for the political sounds that others don't hear.

The juggernaut looks like a jarhead. He's a billionaire without the enzyme that produces boredom. Ross Perot will be back, and then all hell may break loose. Boredom — as American as steak and blueberry pie — may look pretty good again.

The writer is Washington bureau chief of The Boston Globe. This column was distributed by Universal Press Syndicate.



Spotlight Is on the Link Of Religion and Power

By Barry James

PARIS — I have recently been to two strikingly topical plays about the relationship of religion and power, and the fact that they were written between three and four centuries ago only goes to show that the true definition of a classic is its timelessness.

First was Arianne Mnouchkine's gripping production of Molière's "Le Tartuffe" at the

MEANWHILE

Theatre du Soleil, outside Paris. Then, from London, came Deborah Warner's no less absorbing presentation of Shakespeare's "Richard II" at the Maison de la Culture at Bobigny.

"Le Tartuffe," the tale of a religious hypocrite and imposter, was political dynamite when Molière wrote it in 1664. The then-equivalent of today's religious right, well entrenched in the court, saw it as a seditious attack on their kind of fundamentalism. Tartuffe is a cunning trickster who uses religion to squeeze money and favors out of a family tyrant called Orgon.

Where do men still exist like Orgon, men who wield life or death powers over their wives and daughters? Where exists a clergy with despotic powers? The answer to both questions, Ms. Mnouchkine concluded, is in certain fundamentalist societies in the Middle East.

And so we have Tartuffe as an Islamic cleric oozing menace. Part Jimmy Swaggart and part ayatollah, he makes his entrance accompanied by five sinister minders in black suits and dark glasses. When Tartuffe and his posse venture out, you can hear and almost feel the hot breath of a roaring, adulating crowd.

One can understand better why Orgon was willing to sign over his house and fortune to the demanding cleric. Orgon was perhaps a besotted dupe, but he also actually had something to fear.

The turning point of the play — Tartuffe's seduction of Orgon's wife, with Orgon hiding under the table — is usually a scene of high comedy. The comic elements are still there, but Ms. Mnouchkine does not let us forget that it is also a chilling and brutal attempted rape.

When Shakespeare wrote "Richard II" just over 400 years ago, it was also a highly political and dangerous topic. The play dwells on the nature of kingship, and the extent to which it was weakened and impugned by Richard's abdication.

Twenty-five years previously, the pope had issued a bull, De Visibili Monarchia, which went so far as to suggest that Catholic subjects might be justified in assassinating their non-Catholic monarchs. Queen Elizabeth I therefore sat on an uneasy throne. Like the 14th-century King Richard, she was embroiled in a war in Ireland. Like Richard, she faced a revolt by an upstart noble, Essex, whose followers paid Shakespeare's theater company to perform the play with the deposition scene intact, hoping it would incite disobedience.

The foppish and weak Richard was propped on his throne by the divine right of kings. This concept may seem quaint today. But for Richard, "not all the water in the rough rude sea" could "wash the balm from an anointed king." To underscore this argument, the production explores the liturgical and mystical aspects of divine kingship. Ms. Warner sets the scene with invisible voices singing plainchant, and the odor of incense.

In Shakespeare's time, men played woman. In an unusual reversal, Ms. Warner has a woman, Fiona Shaw, play Richard. Silly and immature in power, Richard becomes dignified and tragic in defeat.

At Bobigny, the audience sits in serried ranks on either side of a long, narrow performance space that reminds one of the nave of a cathedral, a tournament list or even the chamber of the House of Commons, which forever buried the idea that monarchs could have God-given powers.

In France, the concept of divine right lived on for a couple more centuries until it was swept away by the French Revolution. But the French are used to monarchical presidents, and thanks to Ms. Warner's clear telling, critics had no difficulty surmounting the language barrier and understanding Shakespeare's subtle examination of the nature of kingship and power.

International Herald Tribune.

LETTERS TO THE EDITOR

Africa Needs Help

The democratic process in Africa is back to square one, with the West's absolute silence contributing to this turnaround in events. What has happened in Togo, Zaire and Nigeria are classic examples: Tin-pot dictators flagrantly violate democratic principles and human rights while the West looks on, unconcerned.

The most serious in this series of violations is in Nigeria, where a military leader seized power and arrested the democratically elected leader. The military leaders also went to the extent of hanging several opposition figures despite worldwide requests for clemency.

Since there is no outcry from any quarters, the militaries in Africa have started coming back in full swing. Cases in point are the various coups d'états in Gambia, Sierra Leone and, recently, in Niger.

The West should muster its courage, eschew the idea of "noninterference in internal affairs" and assume its responsibilities to arrest this sad situation if it wants to command continued respect and admiration from the developing world. Otherwise, the whole democratic process will collapse and other cautious dictators in hibernation will take advantage of this silence to resurface.

The same line of action taken to resolve the political crisis in Haiti is still valid and worthy of emulation.

B. POKOU.
Abidjan, Côte d'Ivoire.

Trickle-Down Déjà Vu

If the Republican leaders reintroducing "trickle-down economics" (*this time known as the "flat tax"*) get their way, we Americans are about to re-enter the 1980s, which, for most of us, brought stagnant or declining incomes.

It's easy to explain the deficit. The collection of tax revenue fell as a result of trickle-down economics, *while government spending on entitlement programs*, particularly federal health insurance such as Medicare and Medicaid, skyrocketed. With three years of Clinton economics, the deficit has come down, Wall Street blue chips passed the 5,000 mark, unemployment has fallen to 5.6 percent and inflation has stayed low.

As a Republican, I'm ashamed to say that due to bad congressional leadership this past year, common sense tells me to vote for President Bill Clinton, to let him finish what he started.

ALEX DeJONG.
Madrid.

Knowledge Is Power

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❑ THE 1996 INDONESIA SUMMIT
Jakarta, *May 13-14*

❑ THE 1996 CHINA SUMMIT
Beijing, *September 25-26*

❑ THE 1996 INDIA SUMMIT
New Delhi, *December 4-6*

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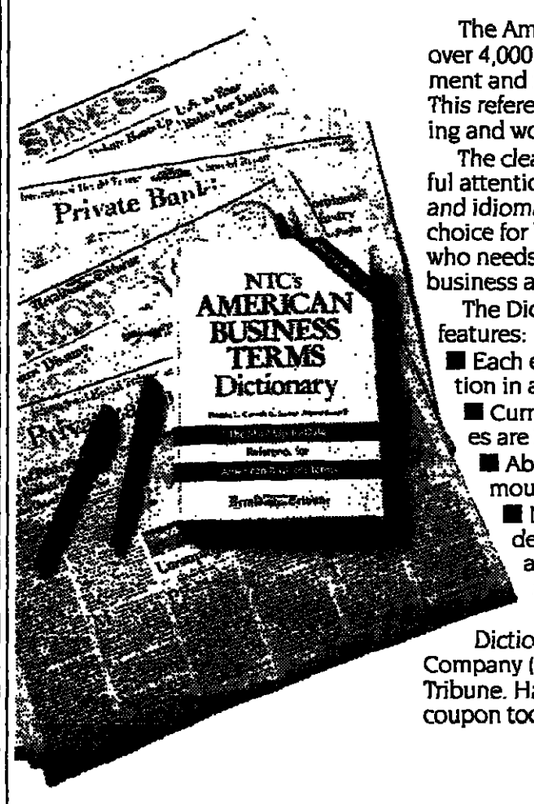

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HEALTH/SCIENCE

Boys' Delinquency Linked to Lead in Bones

By Jane E. Brody
New York Times Service

NEW YORK — Criminals may indeed be made, not born, and one of the ingredients could be childhood exposure to lead, according to the findings of a four-year study of young boys, published Wednesday.

The study, conducted among more than 800 boys attending public schools in Pittsburgh, showed that those with relatively high levels of lead in their bones were more likely to engage in aggressive acts and delinquent behavior than boys with less lead in their bones.

Although none of the children in the study were suffering from lead poisoning, a direct relationship was found between the amount of lead in their leg bones and reports by parents, teachers and the children themselves of aggressive and delinquent behavior.

The study, directed by Dr. Herbert L. Needleman, a psychiatrist at the University of Pittsburgh Medical Center who has done other research on the effects of lead, found that even after taking into account other predictors of delinquency, such as socioeconomic status, those with higher lead levels were more likely to engage in anti-social acts.

Such acts in childhood have been shown to be strong predictors of criminal behavior later in life, Dr. Needleman said in his reportin The Journal of the American Medical Association.

In an accompanying editorial, Dr. Terrie E. Moffitt, a psychologist at the University of Wisconsin in Madison who has studied the long-term consequences of anti-social behavior in children, wrote, "Measures of childhood anti-social behavior are reasonably accurate, broadly applicable and moderately predictive of adult violent crime and related outcomes such as alcoholism and domestic abuse."

In an interview, Dr. Needleman emphasized: "I'm not saying that lead exposure is the cause of delinquency. It is a cause and one with the biggest handle to prevention." He explained: "Lead is a brain poison that interferes with the ability to restrain impulses. It's a life experience which gets into biology and increases a child's risk for doing bad things."

Most previous studies of the effects of lead on child development have focused on intelligence scores and growth, and most have relied on levels of lead in the blood as an indicator of lead exposure.

But, as noted by Dr. David Bellinger, a lead researcher at Boston Children's Hospital: "Bone lead levels may be more significant than blood lead because they are a measure of lead accumulation over a long period of time. A child could have high bone lead while his blood levels are not high at the time they are measured."

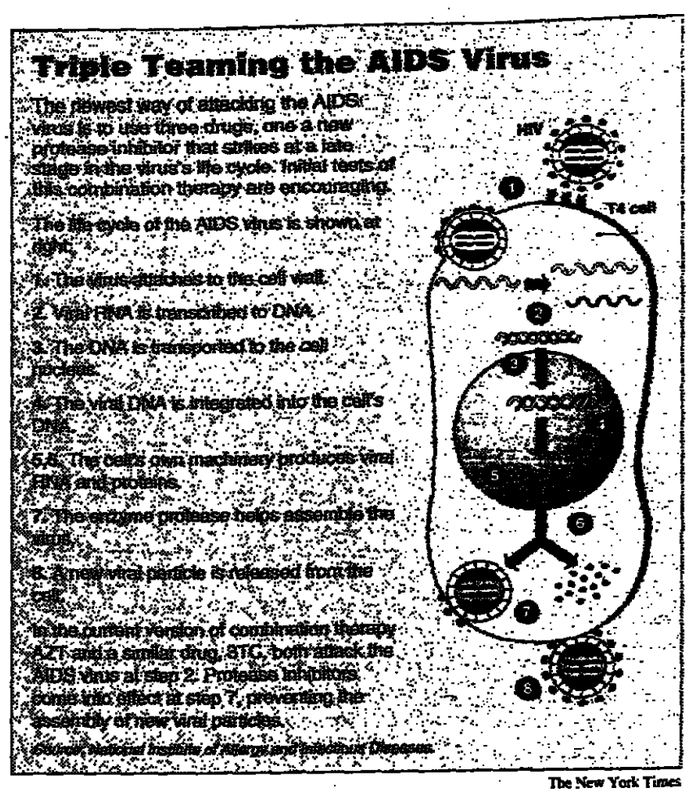
Dr. Bellinger said the Pittsburgh study "breaks new ground, opening the possibility that some of the violence in our society could be the result of preventable environmental pollution" by lead.

The study took into account various social and family factors that have previously been linked to delinquent behavior. These included nine measures reflecting maternal intelligence, socioeconomic status and child-rearing factors, such as the number of children in the family and the presence of two parents in the home.

Also accounted for were the children's race and history of medical problems. Still, the lead-delinquency relationship held strong, the researchers reported.

EVEN when the children were grouped according to their scores on intelligence tests, the study found that those with higher lead levels scored higher on a checklist of childhood behavior problems, as assessed by parents and teachers.

The new findings extend in a scientific way earlier observations of a link between lead exposure and delinquent, violent or criminal behavior. More than 50 years ago, Dr. Randy K. Byers, who was a child neurologist at Boston Children's Hospital, linked acute lead poisoning in children to later "violent, aggressive behavioral difficulties, such as attacking teachers with knives or scissors."



The New York Times

Zoology Celebrity Game: Fish Come Last

By Michael Richardson
International Herald Tribune

BAAN KINNAK, Laos — The view from the balcony in front of Terry Warren's makeshift fish laboratory should be enough to gladden the heart of any ichthyologist.

He looks out over the broad reaches of the Mekong, Southeast Asia's largest river and the home of 800 species of fish, making it the world's third-most-diverse river fish source after the Amazon in South America and the Zaire (or Congo) in Africa.

"In the last three years, we have recorded more than 250 species of fish in this area of the Mekong alone," said Mr. Warren, a Briton who serves as technical adviser to a Laotian government aid project for indigenous fishery development.

Since 1991, five new species of fish have been discovered in the middle section of the Mekong, where it flows through or between Cambodia, Laos and Thailand on a journey of nearly 4,200 kilometers (2,600 miles) from Tibet to southern Vietnam.

When a previously unknown animal, the deer-like Vu Quang Ox, Pseudoryx nghetinhensis, was discovered in 1992 in Vietnam, it made media headlines around the world as only the seventh new species of mammal found this century.

Last month, conservationists were thrilled to learn that a pregnant female Vu Quang Ox had been captured in a mountainous forest area of eastern Laos near the border with Vietnam.

Yet the discovery of the five new Mekong fish species — including Himantura chaophraya, a freshwater sting ray that weighs up to 600 kilograms, and Osphronemus exodon, an herbivorous giant gourami with concentric bands of teeth growing on the outer surface of its lips — rated no mention at all outside ichthyological circles.

(Showing the ingenuity of Mother Nature, the gourami uses its external teeth to grab wild figs and other tropical fruit from trees and shrubs growing in, or overhanging, the Mekong and its tributaries. In one area of Laos, fishermen bait their lines with fruit and then string them about a foot above the surface of the water, waiting for the gourami to jump.)

With assistance from Mr. Warren and several other fish scientists, Tyson R. Roberts identified and documented the five discoveries in several scientific journals.

MR. Roberts, who is based in Bangkok as an affiliate researcher for the Smithsonian Tropical Research Institute, is resigned to the fact that even fish as spectacularly large as the giant freshwater stingray or as spectacularly ugly as the buck-toothed gourami will probably never fascinate the general public.

"The hierarchy of public excitement about zoological discoveries goes something like this," he said. "Dinosaurs are No. 1, followed by mammals or birds, and then anything else is way, way down. Fishes are the least well known."

He and other conservationists familiar with the little-known fish galaxy in the Mekong worry that an ambitious plan to develop the river, its tributaries and the areas around them may cause severe damage to fish stocks, especially migratory species.

Laos — a landlocked country of 4.5 million people with an annual per-capita income of less than $350 — wants to cut down some of its forests for commercial logging, open mining projects in remote areas and build a chain of dams to produce electricity for new industries and to export to neighboring Thailand.

Laos is also competing against Cambodia to have the secretariat of the Mekong River Commission located in Vientiane.

The commission, which will coordinate development plans in the Mekong River basin covered by Laos, Cambodia, Thailand and Vietnam, hopes to spend more than $230 million in 1996 on 94 projects ranging from studies on hydroelectric dams to navigation improvement schemes and irrigation for agriculture.

AIDS Treatment Enters New, and Costlier, Phase

By Lawrence K. Altman
New York Times Service

WASHINGTON — Shortly after AIDS was first recognized in 1981, activists demanded: Give us new therapies. Now the latest concern from activists and many others concerned about the costs of health care is: Who can afford them?

A five-day meeting on HIV and related viruses here last week made it clear that the treatment of AIDS is entering a new phase — much more complex, perhaps more effective, and certainly more costly.

The latest development is a class of drugs known as protease inhibitors. Short-term studies show the combination of these new drugs with standard older ones are the most potent therapy against HIV, the virus that causes AIDS. As Dr. David Cooper, a leading AIDS researcher from Sydney, Australia, put it, the new phase involves "the ascendancy of combination therapy" and "the demise" of single-drug therapy for HIV.

But the combination anti-HIV therapy costs $12,000 to $18,000 a year. The many other medications that patients with advanced AIDS may need for related conditions could raise the bill to $70,000.

Many doctors expect heavy promotional pressure to treat more HIV patients earlier in the course of the infection than is now the case. Since several hundred thousand Americans are infected, though many do not know it, the costs from increased demand could be substantial.

Private health insurance plans will cover the drug costs for some AIDS patients. Medicaid covers the drugs for many others, although the number of individual drugs covered each month may be restricted. For others, the drug costs may be covered by the drug assistance program under the Ryan White act, the federal program for treatment of AIDS patients. And many others may have to pay out of pocket if they can.

None of the new treatments are a cure for AIDS, although some of the initial results seem to show striking benefits. One study reported last week found that the combination of an experimental protease inhibitor and two older drugs, AZT and 3TC, suppressed the amount of HIV in the body to levels that cannot be detected by the latest laboratory techniques. The effect is more powerful than many would have dreamed possible when the studies began only a few months ago.

The AIDS virus still remains in the body, but the hope is that if HIV does not become resistant to the drugs and they can be given safely for many years, AIDS can be treated successfully as a chronic disease.

Increased cost is only one of the challenges that new treatments and new hope pose for researchers, doctors and patients. But there are others as well — the ever-present difficulty of squandering the effectiveness of new treatments by using them in a way that fosters resistant strains of the AIDS virus, and a related need to conduct controlled studies to know which combinations of drugs work best.

How much costs will increase is not clear. The Food and Drug Administration has so far approved only one protease inhibitor, Roche's saquinavir, for marketing. It costs about $7,000 a year. Merck and Abbott have asked the drug agency for permission to market their experimental protease inhibitors, indinavir and ritonavir, which they promoted heavily at the meeting. But they declined to say how much the drugs would cost. And, of course, the agency will have much more information to evaluate than was presented here before approving either drug.

AS two of the meeting's main scientific organizers, Dr. Robert T. Schooley of the University of Colorado Health Sciences Center in Denver, and Dr. Douglas D. Richman of the University of California at San Diego, both cautioned at a news conference, "The devil is in the details."

Nonetheless, costs will undoubtedly increase, and budgets may not. Dr. Harold W. Jaffe, an official of the Centers for Disease Control and Prevention who also treats AIDS patients at Grady Memorial Hospital in Atlanta, said, "just in the last few months in our clinic at Grady, we have gone from one to two drugs as the standard initial treatment" and may go to three. "But we have a fixed pharmacy budget, so what are we going to not supply in order to accommodate these new drugs?" he asked.

Other studies show that a new test that measures the amount of HIV in the body can provide a more accurate way to predict the course of HIV infection.

The test is expected to cost about $200, would need to be repeated several times a year and, if approved, would be added to many others that are now used.

"Because of the patient advocacy for AIDS, there will be a lot of pressure to make the standard of care a very expensive one," Dr. Jaffe said. "It won't just be individuals asking questions. It will be organized community groups pushing for this higher standard."

IN BRIEF

Celestial 'Great Attractor'

LONDON (Reuters) — Astronomers said Wednesday they had found the galaxy at the center of the "Great Attractor," a giant mass of galaxies that sends other galaxies wobbling.

R.C Kraan-Korteweg of the Observatoire de Paris and colleagues in South Africa and New Mexico said astronomers had been mystified by findings that nearby galaxies do not move at uniform velocities. "These deviations indicate the presence of the 'Great Attractor' — a large concentration of mass equivalent to 5 million billion suns."

"Our results show that a previously identified galaxy cluster, Abell 3627, which lies only nine degrees from the predicted center of the Great Attractor, is very massive," they wrote in the science journal Nature.

Estrogen Therapy Caution

LOS ANGELES (LAT) — Taking estrogen alone produces such a substantial risk of uterine cancer that postmenopausal women opting for hormone-replacement therapy, or HRT, should strongly consider a protective regimen that includes progestin.

The findings, published in Wednesday's Journal of the American Medical Association, provide the most comprehensive, controlled look to date at how various hormone regimens affect the lining of the uterus.

The data reveal that women taking estrogen alone had high rates of endometrial hyperplasia, in which the the lining of the uterus grows excessively, and is considered a precursor of uterine cancer.

Give the Toad a Right-Handed Shake

By Warren E. Leary
New York Times Service

NEW YORK — If you are going to shake hands with a toad, extend your right one. The list of animals that exhibit a preference for using either the right or left hand — or claw, paw or foot — has just been expanded to include the lower vertebrates, a team of Italian and Australian biologists reports.

The researchers say common toads show a preference for using their right forelimbs, a surprising finding since biologists had thought "handedness" had evolved only in animals that used their hands, feet or paws to manipulate food or other objects routinely. Toads, it seems, make only limited use of their forepaws in everyday life.

With few exceptions, humans show a distinct preference for using either the right or the left hand. An estimated two-thirds of humans are right-handed and the rest are either left-handed or ambidextrous to a varying extent, experts say.

Unlike humans, most animals are evenly divided when it comes to right- or left-handedness, experts note, but there are numerous exceptions. Studies show that certain types of mice and rats exhibit preferential handedness, as do several species of primates. And a similar "footedness" has been observed in some birds that use their claws to hold and manipulate objects, or to scratch around for food.

To see if forepaw preference exists in lower vertebrates, such as amphibians, researchers tested two species of toads: the common European variety known as Bufo bufo and the South American cane toad, Bufo marinus.

Alistair Shay/Animals Animals

Like most toads, the Bufo bufo toad of Europe leads with its right.

In the current issue of the journal Nature, two Italian researchers, Giorgio Vallortigara of the University of Udine and Angelo Bisazza and Claudio Cantalupo of the University of Padova, and their colleagues said they found the first such evidence.

Working with Andrew Robins and Lesley J. Rogers of the University of New England in New South Wales, Australia, the researchers tested the ability of the European toads to remove either a plastic balloon wrapped around their heads or a strip of paper stuck to their noses. The study found that 60 percent of the toads in the balloon experiment used their right paws and that about 55 percent showed the same preference with the paper strip.

The cane toad showed no paw preference in the paper test. But when a more difficult behavioral test was given, a preference was evident. When the toads were positioned belly-up under water, the scientists reported, 66 percent used their right forepaws to roll themselves to an upright position.

Because primitive toads show a significant preference for right paw use, the researchers said, this suggests that handedness and the accompanying changes in the brain occurred very early in vertebrate evolution. This appearance in amphibians could represent a precursor to this function in higher animals, they said.

Dr. Victor H. Denenberg of the University of Connecticut at Storrs, a specialist in brain lateralization in animals, called the conclusion "a reasonable inference that is consistent with the argument that the brain specialized relatively early in evolution."

BOOKS

ALAN JAY LERNER: A Biography

By Edward Jablonski. 345 pages. $35. Henry Holt.

NO INTERMISSIONS: The Life of Agnes de Mille

By Carol Easton. 548 pages. $29.95. Little, Brown.

Reviewed by
Wendy Smith

WHAT makes a good biography? The publication of two books about important figures in the development of the Broadway musical illuminates several aspects of this perennially thorny question.

Carol Easton's portrait of choreographer Agnes de Mille (1905-1993) and Edward Jablonski's profile of lyricist/dramatist Alan Jay Lerner (1918-1986) are both carefully researched, comprehensive in their coverage of the artists' careers, and reasonably well written (hers with more elegance than his). They even cover some of the same ground: De Mille and Lerner worked together on "Brigadoon" in 1947 and "Paint Your Wagon" in 1951. But "Alan Jay Lerner" is essentially a conscientious professional chronology of interest only to musical-theater buffs. "No Intermissions" succeeds in grasping the essence of its subject's inner life as well as the work that made her famous: readers need not know much about either dance or Broadway to find it fascinating.

De Mille and Lerner reached their creative prime during the two decades in which Richard Rodgers and Oscar Hammerstein, aided by their collaborators and followed by a host of disciples, reinvented the essentially frivolous, empty-headed Broadway show, creating musical plays with substantive content, genuine conflict and (somewhat) more realistic characters. De Mille created the dances for "Oklahoma!," the show that started it all in 1943, and contributed her unique blend of ballet, modern dance and Americana to several other classics, including "Carousel" (1945). Lerner and his partner, composer Frederick Loewe, hit their peak toward the end of Broadway's golden age with "My Fair Lady" (1956), which many consider the exemplar of the literate, thematically satisfying musical, and "Camelot" (1960), less perfect but still vintage entertainment from the last period when show tunes still frequently became pop hits.

Both artists offer rich material for biographers, and it's instructive to see the varying uses Easton and Jablonski make of their research. Jablonski relies almost entirely on secondary sources, including quite a few examples of those notoriously unreliable genres, the show biz memoir and the newspaper interview. Easton appears to have talked with nearly everyone still alive who knew or worked with de Mille, in addition to having many conversations with the choreographer herself in the four years before her death. Easton also has the advantage of de Mille's several volumes of evocative, emotional autobiography and of the extensive archives devoted to her work in New York and London.

It would be unfair to blame his biographer for the fact that there is less primary material on Lerner, who was not as major a figure as de Mille. It is fair, however, to note that Jablonski's narrative is too often merely a series of show-business anecdotes, strung together without any commentary on their reliability. Easton (the author of three previous biographies) critically evaluates all her sources, in particular de Mille's compelling but skewed memoirs, then presents her own judgments about events and the forces that shaped them. Like all good biographers, she has a strong point of view that plays counterpoint to, without overwhelming, her subject's voice. Jablonski's text is bland; he clearly admires Lerner but doesn't probe deeply enough into the writer's personal life to give us an understanding of what shaped his creativity.

Nowhere in Jablonski's painstaking but ultimately unrevealing portrait is there a sentence as punchy as this aside from Easton's chapter on "Brigadoon": "Alan Lerner was blond, blue-eyed, and debonair, but his gnawed fingernails, painful to see, betrayed the existence of private demons." Jablonski more than once mentions the chewed nails, and the white gloves Lerner wore to conceal them, without ever pausing to consider what they said about the lyricist's psyche. We learn that Joseph Lerner, Alan's father, was "acerbic" and "constantly criticized his writer son's vocabulary and syntax" but never get any thoughts on how that might have affected Alan. Similarly, it seems obvious that a biography of a man who was married eight times should have some substantive discussion of Lerner's attitude toward women — and a bit more about his mother than "affection was not given, and she was intimidating."

Easton, by contrast, paints a vivid picture of de Mille's gifted, neurotic family and its impact on her. Her father, William, a successful playwright and somewhat less successful Hollywood director, was distant. Her mother, Anna, daughter of the economist Henry George, was smothering and controlling. Her uncle, the film director Cecil de Mille, led the clan in setting standards of accomplishment that Agnes spent years trying to meet.

Wendy Smith, the author of "Real Life Drama: The Group Theatre and America, 1931-1940," wrote this for The Washington Post.

WHAT THEY'RE READING

• **Alan Michaels**, chief executive of TeleWest Communications, is reading "*Being Digital*" by Nicholas Negroponte.

"Many people talk of the information haves and have-nots and suggest that the phenomenon is driven by socio-economics. The author says it's generational."

(Erik Ipsen, IHT)

BRIDGE

By Alan Truscott

USUALLY, a weak two-bid promises a six-card suit, but some tournament players will risk it with a five-card suit, especially when not vulnerable. Tor Helness tried this gambit with the West hand on the diagramed deal and was rewarded. When his opponents reached a normal three no-trump he led a low heart.

South should no doubt have allowed East to win the first trick, guaranteeing the contract unless West had both missing aces and had led a five-card suit. But South made a slight miscalculation. He was sure that East held an honor, since West would have led the queen from queen-jack-ten, and he put up the king in dummy. This was safe if East held a singleton honor, and it seemed that the suit would be blocked if East held a doubleton honor.

But Geir Helgemo as East rose to the occasion by dropping his jack under the king, a vital unblocking play. Now South had to guesss. If the opposing aces were divided, it was essential to knock out West's ace, the vital entry. A diamond play would have succeeded, but South misguessed by leading a spade from dummy.

Helgemo put up his ace, the second vital play, and led his remaining heart. If he had retained the jack, South would have been able to play low effectively, but as it was West's suit was established while he still held the diamond ace as entry.

The contract failed by a trick, and the Norwegians had defeated a game that succeeded at all other tables.

NORTH
♠ K 10 8 3
♡ K 4
◇ Q J 7 3
♣ Q 9 7

WEST (D)
♠ 6 2
♡ Q 10 8 6 2
◇ A 8
♣ J 8 4 2

EAST
♠ A J 8 7 4
♡ 7 5
◇ 9 8 6 5 2
♣ 10 5

SOUTH
♠ Q 9
♡ A 9 7 5
◇ K 10 4
♣ A K 6 3

Neither side was vulnerable. The bidding:

West	North	East	South
2♡	Pass	Pass	2 N.T.
Pass	3 N.T.	Pass	Pass
Pass			

West led the heart six.

International Herald Tribune
BUSINESS / FINANCE
THURSDAY, FEBRUARY 8, 1996

THE TRIB INDEX 135.29 Down 0.07%

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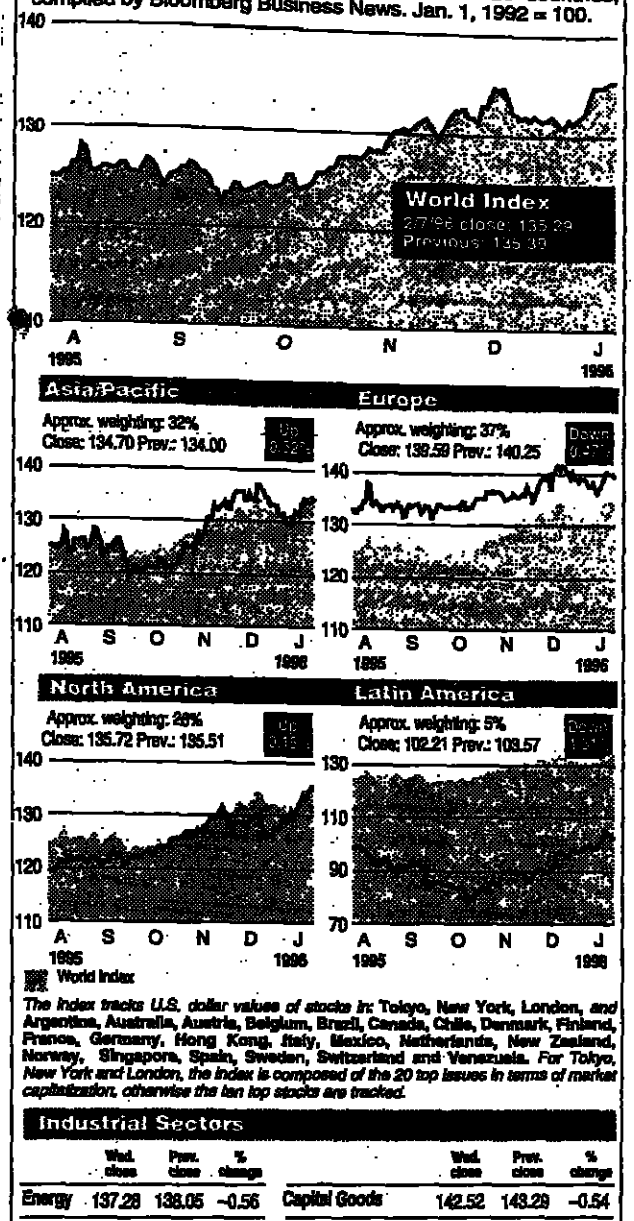

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Industrial Sectors

	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	137.28	138.05	-0.56	Capital Goods	142.52	143.29	-0.54
Utilities	131.57	132.51	-0.71	Raw Materials	150.94	151.02	-0.05
Finance	126.23	125.82	+0.33	Consumer Goods	140.90	140.72	+0.13
Services	126.03	126.13	-0.08	Miscellaneous	142.82	144.17	-0.94

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Pact Stalls Porsche Layoffs

Flexible-Hours Accord Brings Jobs Pledge

Reuters

STUTTGART — Porsche AG said Wednesday it had agreed to halt layoffs until the end of 1997 in return for an agreement on more flexible working practices.

The sports-car maker said it had reached a framework agreement with worker representatives aimed at saving jobs while cutting overtime.

A major objective of the accord, which comes into force April 1, is matching working hours to the flow of orders.

"In times of high demand, we will work more; in times of low demand, less," the company said. "In return, Porsche will refrain from laying workers off until the end of 1997."

Wendelin Wiedeking, chairman of the company, said the agreement would make Porsche the first German automaker with the flexibility to adapt production to demand.

The company and works council also agreed that employees could work as long as eight hours in a regular shift and 35 hours in a regular week, with extra time to be compensated by days off.

"We have taken a large step toward our goal of securing jobs in the long term. This is also an important signal for the Alliance for Jobs," the chairman of the employees' works council, Franz Steinbeck, said. Porsche said the agreement had been reached with the blessing of the metalworkers union IG Metall, which kicked off the jobs debate in Germany in November with an initiative that offered restraint on wage demands in return for steps to create jobs.

The initiative spread nationwide and led to a basic accord, called the Alliance for Jobs and Industry, involving the government, unions and employers and aimed at cutting unemployment in half while holding down wage growth and cutting other employer costs.

■ Bank to Cut 1,900 Jobs by 1998

Bankgesellschaft Berlin AG, Germany's sixth-largest bank, said it planned to cut 1,900 jobs by the end of 1998, about one-eighth of its work force, Reuters reported from Berlin.

The company said 840 jobs would be cut at its Berliner Bank AG unit, 800 at Berliner Landesbank, 100 at its Bankgesellschaft unit and 160 in other divisions. A spokesman said the bank would try to make the cuts by attrition, creating part-time positions and moving to more flexible working conditions, but union representatives said they feared further job losses and called on the state of Berlin, the bank's majority owner, to intervene.

Groupe Bull Quits PCs in 3-Way Deal

By Max Berley
Special to the Herald Tribune

PARIS — Groupe Bull will leave the personal-computer industry by giving its Zenith Data Systems Corp. subsidiary to its affiliate, Packard Bell Electronics Corp., in a three-way arrangement that also involves NEC Corp., the companies said Wednesday.

NEC owns stakes in Packard Bell and in Bull, and the arrangement will bolster its profile in the personal-computer industry. In Japan, NEC has long been the dominant computer maker, but its proprietary operating system is incompatible with the widely used combination of Microsoft Corp.'s Windows or DOS systems and Intel Corp.'s processing chips. Zenith and Packard Bell, on the other hand, conform to the so-called Wintel standard.

NEC will invest $283 million in Packard Bell, bringing the value of the deal to $650 million, including Bull's contribution of Zenith.

The companies said Packard Bell would have annual sales of $5.5 billion, and would rank as the fourth-largest personal computer manufacturer in the world.

In exchange for the assets and cash, NEC and Bull, which each own 19.9 percent of Packard Bell, will receive convertible preferred stock in the company.

Analysts said the merger of Packard and Zenith, which have been unprofitable in recent years, would create a money-making entity as it allows "significant" economies of scale, particularly in the purchase of components.

"It's a good move," said Charles Smulders of Dataquest Inc.

He said the three partners stood to benefit from the arrangement because it potentially "allows Packard Bell to return to profit, Bull to remove the money-losing Zenith from its balance sheet and NEC to receive a return on its investment in Packard."

NEC said the merged Packard Bell, which is not now a public company, aimed to list its shares this year.

Packard Bell, which is currently second behind Compaq in the U.S. market, sells about 3.2 million personal computers every year. Bull said that with the 700,000 units sold by Zenith, Packard Bell would become the leader in the U.S. market.

A spokesman for Bull said Zenith, which has annual sales of $1.6 billion, has not been profitable since Bull acquired it in 1989. He would not disclose the amount of Zenith's annual losses, saying only that they were consolidated into Bull's balance sheet.

"We decided that we would rather be a minority shareholder in a company that is among the world leaders than to own a company that is 12th or 13th in the world," said Jean Segonds, Bull's vice president for business development.

He said that under the new arrangement, Bull would supply Packard Bell with motherboards and NEC would supply screens.

Although the French government remains the majority shareholder in Bull with 36.4 percent of the shares, the company has been edging its way toward privatization in recent years with NEC and Motorola Corp. each holding 17 percent of its shares.

For Packard Bell, the deal also comes as a "Godsend," said an analyst who asked not to be named. He said the company had been widely reported to have accrued severe losses in recent years and to have been "desperate for cash" at the end of 1995.

Andrew Pollack of the New York Times reported from Tokyo:

Hisashi Kaneko, the president of NEC, said his company's new investment in Packard Bell would help finance its growth.

"I don't think our contribution is a way of rescuing Packard Bell in a financial sense," he said. He said NEC was "not worried" about the financial situation of Packard Bell despite reported problems such as Packard Bell's inability to pay $470 million it owed Intel Corporation a few months ago. NEC invested $170 million last summer to buy its 19.9 percent stake in Packard Bell.

NEC's investment will be in the form of nonvoting convertible preferred stock, so that its stake in Packard Bell will remain as it is.

Mr. Kaneko said NEC wanted to keep its share below 20 percent to "maintain the venture spirit of Packard Bell." Although Mr. Kaneko did not say as much, some analysts suspect NEC wants to keep from having to include the results of Packard Bell in its consolidated financial statements, which it would have to do if its stake passed 20 percent.

NEC has the right to convert the preferred stock to common stock but executives said they do not intend to do that until Packard Bell makes an initial public stock offering.

Mr. Kaneko said Wednesday's announcements would strengthen the "tripolar structure" of the alliance involving NEC, Packard Bell and Bull in Japan, the United States and Europe.

Mr. Kaneko said NEC was asked for the additional investment by Bull and Packard Bell. He added that NEC agreed because it supports the merger with Zenith as it would give Packard Bell more economies of scale and reduce overlap between Packard Bell and Zenith.

"We thought it was a good idea to establish a worldwide network in PCs," he said.

U.S. Trade Gap Falls With Japan and China

The Associated Press

WASHINGTON — The U.S. trade deficit narrowed in November to $7.06 billion, the best showing in nearly two years, as the gap with Japan shrank to its smallest level since the spring of 1993 and the deficit with China also narrowed, the Commerce Department said Wednesday.

The deficit in goods and services dropped a sharp 13.5 percent from a revised October figure of $8.16 billion, the smallest imbalance since a $6.5 billion deficit in March 1994.

The November improvement reflected a big jump in sales of aircraft and computer parts as exports of capital goods climbed to a record level of $20.8 billion. Sales of military goods, including Patriot missiles to Saudi Arabia and helicopters to Greece, also took a big jump.

Also on Wednesday, Japan's Finance Ministry said the country's current account surplus fell for the second year in a row, signaling a trend toward higher imports as more Japanese companies move manufacturing abroad. (Page 15)

Even with the November improvement, analysts said the U.S. deficit for the year was headed for a record, with the imbalance in merchandise alone expected to be around $162

See TRADE, Page 12

Commission Revives Plan On Takeovers

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission on Wednesday reintroduced a plan to standardize the conduct of corporate takeovers throughout the European Union.

The EU's executive body said the proposal, which must be approved by the 15 EU governments, would ensure that shareholders enjoyed "equivalent safeguards" throughout Europe and would provide minimum guidelines for the conduct of bids and information disclosure.

The proposal is a dilution of a more far-reaching plan that was abandoned in 1991 after Germany and Britain argued that the power to make and enforce takeover rules should remain with national governments.

Under the new proposal, the commission would allow member states to designate a national authority, even a self-regulating one, to supervise all aspects of takeover bids.

The new proposal also provides that member states would not have to adopt a standardized takeover method if they can demonstrate that all shareholders are treated equally by the method used.

Mario Monti, the EU's single market commissioner, said he hoped the proposal would be approved "as soon as possible." *(AFX, Knight-Ridder)*

INTERNATIONAL MANAGER

Cosmetics Firms Put on a New Face

By Glenn Collins
New York Times Service

NEW YORK — As Wall Street weighs the value of the planned public offering of Revlon Inc., it is clear that the $6 billion cosmetics industry has never looked lovelier — at least to investors.

Not that it has lacked visibility, with its glamorous advertising celebrating the faces of Cindy Crawford, Elizabeth Hurley and Christy Turlington.

But cosmetics makers were long seen as investment adjuncts of the apparel industry — which, according to conventional wisdom on Wall Street, are not to be trusted.

Then last year, two of the most photogenic cosmetic giants, Estée Lauder Cos. and Revlon, began strutting their stuff on Wall Street like models on a runway. What they seemed to display — attractive operating margins, marketing savvy and appealing brand management — made many a skeptical money manager have a change of heart.

The successful November public offering of the Estée Lauder makeup, skin-care and fragrance empire offered proof that a new era of investor attraction had dawned. This offering was quickly followed by word of the planned public sale by Ronald O. Perelman, the financier, of a facet of his crown jewel: Revlon.

But can Revlon, a company that could not turn a profit in 1995 and that had failed once before to go public, ride the wave to a success like Lauder's?

The entire business is in the midst of a makeover. L'Oreal SA of France, the world's largest cosmetics company, and Joh. A. Benckiser GmbH of Germany have been vying for Maybelline. Shares of Helene Curtis Industries Inc. have risen sharply since it said Jan. 17 that a big investor had urged it to consider being acquired, then admitted holding such talks; Colgate-Palmolive Co. and Unilever are said to be suitors.

Revlon and Lauder had no choice but to go public, if for different reasons. In Lauder's case, Estée Lauder, the aging doyenne of the industry and the company's founder, was leaving. The tax questions inherent in her departure made it necessary for the company to recoup loans to family members and to set a stable succession after the eventual departure of Leonard Lauder, 62, its chairman and chief executive.

Mr. Perelman's hand was forced by the billion-dollar debt he must pay off or refinance. A public offering would put a price — a high one, he hopes — on the equity of his holding company.

Revlon moved toward its offering Monday by filing with the Securities and Exchange Commission to sell 7.5 million shares, or 15 percent of the company, at $19 to $22 each, valuing the initial sale at $142.5 million to $165 million. That would give the company a market value of about $1 billion after the subtraction of debt.

All this commotion in cosmetics is "redefining the whole category," said Allan Mottus, publisher of The Informationist, an industry publication. Before the Lauder offering, "there was no financial profile for the cosmetics industry on Wall Street, and little coverage. Now, suddenly, the street sees profitability and rapid growth."

Cosmetics executives are gratified by the industry's newly buffed image. "Analysts have miscategorized us for years," Mr. Lauder said.

"The reason for that is the legacy of people like Charles Revson, Helena Rubenstein and Elizabeth Arden. You know how it's been perceived: the single tyrant in the corner office, shouting out orders to minions. And when the tyrant goes to the great beyond, the company collapses."

Now, money managers are showing new respect for what the industry has: margins and money. For if it is true, according to Charles Revson's dictum, that the industry sells hope in a jar, it is also true that the jar costs far more than what it contains. "When it costs $2.50 to manufacture a bottle of fine perfume that sells for $60, there are obviously impressive margins," said Angela Ultaro, an independent analyst.

Cosmetics are such a gold mine that they are effecting a role reversal, Mr. Mottus said: Top-of-the-line companies are now propping up some struggling department stores. Although retailers recently reported poor December sales, merchants like Saks Fifth Avenue reported that cosmetics sales soared more than 10 percent.

Investor Jitters Send Fokker Shares Falling

Compiled by Our Staff From Dispatches

AMSTERDAM — Shares in the troubled Dutch aircraft maker Fokker NV fell 35 percent Wednesday and the company said a declaration of bankruptcy was "probable."

A Fokker spokesman, Romboud Klinkert, admitted that none of the company's potential buyers had expressed interest in bidding for its quoted shares and bonds.

His comments came after local media reports illustrated that the shares were "absolutely worthless," said Frans van Wakeren, a Fokker specialist on the Amsterdam Stock Exchange. "All of a sudden, the lights went on."

On the Amsterdam bourse, Fokker shares closed at 2.8 guilders ($1.69), down 1.5, in active trading.

The Dutch business daily Het Financieele Dagblad was one of many Dutch newspapers concluding that Fokker's shares had lost all value.

Fokker has been supervised by a group of administrators since it filed for protection from creditors two weeks ago. Analysts said that interest in acquiring Fokker shown by companies such as Samsung Corp. of South Korea and Bombardier Inc. of Canada was limited to the planemaker's subsidiaries, which were unburdened by the company's debt.

"The holding will go bankrupt and the individual operating companies will be sold," said Erick van Engeland, a trader with the merchant bank MeesPierson NV. "The shareholders will be left empty-handed."

The parent company had outstanding debt of 3.18 billion guilders at the end of 1995. Of that amount, about 1.67 billion guilders consisted of outstanding bonds.

One local report said that officials from Bombardier had been at Fokker's head office since Monday and that a delegation from Samsung was due to arrive by the end of the week. The report said that, like other interested parties, Bombardier wanted Fokker to be debt-free after a possible takeover.

One analyst said that Bombardier might insist that work currently done for Fokker by its parent, Daimler-Benz Aerospace AG, be transferred to a Bombardier subsidiary, Short Brothers PLC, based in Northern Ireland, which makes wings for Fokker jets.

Bombardier will try to estimate Fokker's value as quickly as possible to make a bid, an Amsterdam newspaper reported. Executives have said they will try to keep Fokker together as a whole, albeit in slimmed-down form. *(Bloomberg, AFX)*

Daimler Operating Loss

Bloomberg Business News

FRANKFURT — Daimler-Benz AG expects to report a 1995 loss from normal business operations of about 2.2 billion Deutsche marks ($1.5 billion), primarily on losses in its aerospace unit, a company executive said Wednesday.

The German auto, truck and aerospace company, predicting a total loss of 6 billion DM for 1995, cut off financial support on Jan. 22 for Fokker NV, the money-losing Dutch aircraft maker in which Daimler-Benz Aerospace AG was a major shareholder.

"Our total end-year figures would have been significantly worse if we had not had the very positive result from Mercedes-Benz," Chief Financial Officer Manfred Gentz said.

Mercedes-Benz AG will report an operating profit of about 2 billion DM, he said.

Daimler-Benz Aerospace is responsible for 2.3 billion DM of the 3.8 billion DM in charges leading to the final loss, Mr. Gentz said.

Contributing to the unit's problems was the weakness of the dollar to the Deutsche mark, Mr. Gentz said.

Daimler-Benz's 1995 loss compares with a profit of 895 million DM in 1994.

Even though the projected loss is the largest in Daimler's history, Mr. Gentz said payment of a dividend had not been ruled out.

The company expects to report official 1995 results in March or April.

35 COUNTRIES.
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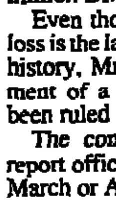

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WORLD/CELL.

Competitive Commission on the International Bidding
BOOT Wastewater Project in South Butovo

INVITATION FOR BIDDING

The Moscow Government is inviting for an open international bidding on designing, building and operating on BOOT conditions a wastewater plant in South Butovo District of Moscow. BOOT conditions provide for: 1) finance and construction; 2) operation on the long-term concession basis; 3) transfer of the facilities to the municipal administration.

The wastewater plant with a capacity of 80,000 cu.m./day will receive and process the domestic wastewater and sludge from South Butovo residential area with the application of the most advanced technology. The plant should have a separate discharge of the effluent into a water body and meet all the environmental standards and regulations.

You can get the Bid Memorandum with the conditions of bidding in the Competitive Commission Information Centre. Address: 4 Pleteshkovski pereulok, 107005 Moscow, Russia, Tel. (095) 261 78 61, Fax (095) 267 55 12, E-mail KULAGIN@elohovo.MSK.SU.

The project bidder is to submit an application to the Competitive Commission starting from January 31, 1996 and pay an admission fee of 25,000,000 roubles.

The deadline for submitting bid proposals to the Competitive Commission - **April 15, 1996.**

The bid results will be finalized by April 30, 1996.

The bid winner gets the right to sign the BOOT Contract before **July 31, 1996.**

Alexander S. MATROSOV
Chairman of the Competitive Commission
Minister of the Moscow Government

CURRENCY & INTEREST RATES

Cross Rates
Feb. 7

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.656	2.5446	1.1978	0.3261	0.1051*	—	5.4475*	1.3704	1.5603*	1.211	1.331*
Brussels	30.3575	46.6975	20.56	5.9845	1.9051*	18.357	—	25.1725	0.2862	22.25	24.42*
Frankfurt	1.4758	2.2678	—	0.2912	0.9373*	0.893	4.8644*	1.2238	1.3901*	1.079	1.1674*
London (a)	1.5365	—	2.2721	7.8806	2,418.235	2.5407	46.71	1.8552	163.16	2.0996	191.315
Madrid	124.337	191.091	84.239	24.524	7.89*	75.228	4.0978	102.073	117.366*	90.757	—
Milan	1,573.28	2,423.40	1,067.25	310.84	—	953.85	51.852	1,307.64	14.822	1,147.98	12.681
New York (b)	—	1.5375a	1.477	5.073	1,577.00	1.6537	30.37	1.2865	106.88	1.3668	124.30
Paris	5.07	7.7915	3.435	—	[illegible]	3.0675	0.1671	4.203	4.7017*	3.7008	4.0785*
Tokyo	105.85	162.85	71.48	20.83	[illegible]	63.83	3.4773	87.75	—	76.59	0.8471
Toronto	1.3673	2.1026	0.9261	0.2697	[illegible]	0.8269	0.4586*	1.1337	1.2902*	—	1.10*
Zurich	1.2045	1.8539	0.8142	0.2376	[illegible]	0.7287	3.9687*	—	1.1385*	0.8782	0.9677*
1 ECU	1.2805	0.8339	1.8715	6.4973	2,019.57	2.1181	38.0645	1.5459	135.88	1.7557	159.306
1 SDR	1.4626	0.9518	2.1585	7.4154	2,304.96	2.4174	44.3573	1.7629	154.744	2.0147	181.817

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9968	Greek drac.	244.11	Mex. peso	7.42	S. Afr. rand	3.643
Australian $	1.3245	Hong Kong $	7.7313	N. Zealand $	1.489	S. Kor. won	790.40
Austrian sch.	10.38	Hung. forint	144.59	Norw. krone	6.447	Swed. krona	7.0407
Brazil real	0.9737	Indian rupee	37.20	Phil. peso	26.11	Taiwan $	27.48
Chinese yuan	8.2928	Indo. rupiah	2292.00	Polish zloty	2.55	Thai baht	25.23
Czech koruna	27.05	Irish £	0.6323	Port. escudo	153.36	Turkish lira	63293.5
Danish krone	5.7114	Israeli shek.	3.1412	Russ. ruble	4738.00	UAE dirham	3.671
Egypt. pound	3.3955	Kuw. dinar	0.3009	Saudi riyal	3.75	Venez. boliv.	400.00
Fin. markka	4.556	Malay. ring.	2.5423	Sing. $	1.414		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5339	1.5329	1.5319	Japanese yen	105.68	105.28	104.86
Canadian dollar	1.3705	1.3706	1.3707	Swiss franc	1.2040	1.2006	1.1974
Deutsche mark	1.4749	1.4726	1.4702				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits
Feb. 7

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 mo.	5 1/16 - 5 5/16	3 3/8 - 3 1/4	1 9/16 - 1 11/16	6 3/16 - 6 5/16	4 5/16 - 4 7/16	3/8 - 1/2	4 5/16 - 4 7/16
3 mo.	5 1/8 - 5 1/4	3 3/16 - 3 5/16	1 1/8 - 1 1/4	6 1/16 - 6 3/16	4 3/16 - 4 5/16	1/2 - 5/8	4 7/16 - 4 9/16
6 mo.	5 - 5 1/8	3 1/16 - 3 3/16	1 1/4 - 1 3/8	6 - 6 1/8	4 5/16 - 4 7/16	1/2 - 5/8	4 7/16 - 4 9/16
1 yr	4 15/16 - 5	3 1/4 - 3 3/8	1 15/16 - 2 1/16	5 15/16 - 6 1/16	4 5/16 - 4 7/16	9/16 - 11/16	4 7/8 - 4 15/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/16	5 3/8
3-month CDs	4.91	4.93
Comm. paper 180 days	6.11	6.11
3 month Treasury bill	4.80	4.85
1-year Treasury bill	4.61	4.62
2-year Treasury note	4.90	4.90
5-year Treasury note	5.27	5.26
7-year Treasury note	5.44	5.42
10-year Treasury note	5.67	5.65
30-year Treasury bond	6.15	6.13
Merrill Lynch 30-day RA	5.06	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.40
1-month interbank	0.44	0.45
3-month interbank	0.54	0.55
6-month interbank	0.54	0.55
10-year Govt bond	2.83	2.85
Germany		
Lombard rate	5.00	5.00
Call money	3.45	3.45
1-month interbank	3.38	3.38
3-month interbank	3.30	3.30
6-month interbank	3.30	3.30
10-year Bond	6.06	6.11

Britain	Close	Prev
Bank base rate	6 1/4	6 1/4
Call money	6 3/8	6 3/8
1-month interbank	6 5/16	6 5/16
3-month interbank	6 3/16	6 1/16
6-month interbank	6 1/16	6 1/8
10-year Gilt	7.62	7.70
France		
Intervention rate	4.20	4.20
Call money	4 1/8	4 1/4
1-month interbank	4 3/16	4 5/16
3-month interbank	4 5/16	4 1/4
6-month interbank	4 1/4	4 3/8
10-year OAT	6.60	6.55

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

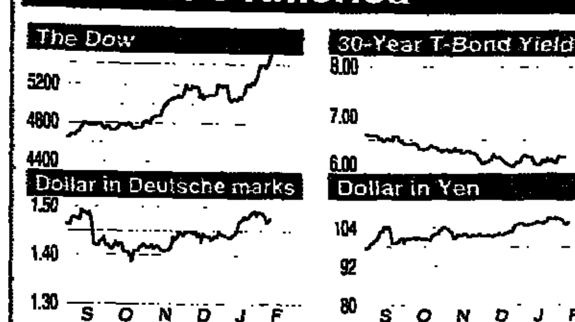
Gold

	A.M.	P.M.	Ch'ge
Zurich	414.65	412.25	Unch.
London	414.75	414.20	-1.90
New York	414.50	411.40	-3.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	5492.12	5448.77	+0.80
NYSE	S&P 500	649.93	646.31	+0.56
NYSE	S&P 100	625.04	620.78	+0.69
NYSE	Composite	346.32	344.68	+0.48
U.S.	Nasdaq Composite	1064.76	1069.08	-0.40
AMEX	Market Value	562.59	559.96	+0.47
Toronto	TSE Index	5026.50	5049.50	-0.46
São Paulo	Bovespa	52838.06	53540.89	-1.33
Mexico City	Bolsa	3010.83	3048.09	-1.22
Buenos Aires	Merval	548.28	545.39	+0.53
Santiago	IPSA General	5702.95	5693.80	+0.16
Caracas	Capital General	2410.29	2319.98	+3.89

Source: Bloomberg, Reuters — International Herald Tribune

Sears Profit Pleases Market

Compiled by Our Staff From Dispatches

HOFFMAN ESTATES, Illinois — Sears, Roebuck & Co. said Wednesday its net profit dropped 34 percent in the fourth quarter, but the company's shares rose because the earnings beat analysts' expectations in a tough climate for retailers.

Net profit fell to $455 million from $685 million a year ago, but revenue rose to $10.85 billion from $10.20 billion. Earnings from continuing operations rose to $1.13 per share from 90 cents.

In the year-ago quarter, Sears had income of $134 million from Allstate Insurance Group, which it spun off, and Homart Development Co., which it sold, and a one-time gain of $195 million from the early repayment of debt.

The results are especially strong considering that the holiday shopping season was one of the worst in 25 years, depressing the profits at most other retailers.

Stock in Sears closed up $1.50, at $44.125.

"Sears was one of the few that had a good Christmas," said Joseph Ronning, an analyst at Brown Brothers Harriman Inc.

Analysts said the key to Sears's success was its chief executive, Arthur Martinez, who joined the retailer three years ago and took his current post in August.

Under his leadership, Sears has spend billions sprucing up its department stores and focusing on its $7 billion apparel business, which brings higher margins. The retailer has also accelerated the expansion of its free-standing stores. Mr. Martinez also killed Sears's unprofitable catalog and shuttered 113 stores, firing more than 50,000 workers. *(Bloomberg, AFX)*

■ Northrop Hit by B-2 Sales

northrop Grumman Corp. posted lower-than-expected fourth-quarter profit on Wednesday, hurt by fewer deliveries of the military contractor's B-2 stealth bomber, Bloomberg Business News reported from Los Angeles.

Net income was $58 million. In the final quarter of 1994, the company had a loss of $121 million after taking $324 million of pretax charges for an accounting change and asset sales.

Sales fell to $1.81 billion from $1.88 billion. Stock in the company closed down 75 cents, at $66.50.

Manhattan to Get the 'Voice' for Free

Bloomberg Business News

NEW YORK — Stern Publishing said Wednesday it would distribute its Village Voice newspaper free of charge in Manhattan beginning on April 10 as part of a plan to start free weeklies elsewhere in the country.

The paper now costs $1.25 at the newsstand and will continue to be sold at that price outside of Manhattan.

Leonard Stern, chief executive of Hartz Group Inc., which owns Stern Publishing, said younger readers were increasingly abandoning newspapers they have to pay for, while free weeklies have proven they can attract a loyal following.

"Stern Publishing believes the future of all paid newspapers will become increasingly difficult in the years ahead, especially with young readers who have not grown up with the daily newspaper habit," he said.

India Measures Help the Rupee Recover

Bloomberg Business News

The rupee rose against the dollar Wednesday after India's central bank announced changes to its trade credit policies aimed at reversing the currency's recent 19 percent slide.

"The several measures we have introduced today are intended to accelerate receipts of export proceeds and prevent prepayment on account of imports," said Chakravarthy Rangarajan, governor of the Reserve Bank of India.

The central bank ended export credit denominated in dollars, freed interest rates on export credit denominated in rupees for over 90 days, and raised the interest surcharge for financing imports to 25 percent from 15 percent.

The bank also said it would monitor cancellation of forward currency contracts and intraday trading.

"People were expecting rather strong measures," said Sandeep Sen, a trader at Citibank NA. He said it was not clear immediately if the steps would meet those expectations.

The rupee hit a record low against the dollar Tuesday, when one dollar bought 38.30 rupees. In New York on Wednesday, the dollar slipped to 37.30 rupees. The dollar bought fewer than 32 rupees at the beginning of September.

FOREIGN EXCHANGE

The dollar rose against other major currencies in New York trading Wednesday after reports from the United States and Japan showed that the U.S. trade deficit was shrinking.

The U.S. trade deficit shrank 13.5 percent in November, the lowest level in almost two years.

A declining trade deficit helps the dollar because it means foreign exporters, on balance, will have fewer dollars to sell for other currencies when they bring home profits.

The figures "were very encouraging for the dollar," said Daniel Seitz, a money manager at Advisers Capital Management.

Earlier, Japan said its current-account surplus shrank for the second consecutive year.

The dollar rose to 1.4770 Deutsche marks from 1.4715, and to 106.08 yen from 105.20. It rose to 5.0730 French francs from 5.0555, and to 1.2065 Swiss francs from 1.1982. The pound slipped to $1.5375 from $1.5420.

"I think the trade issue is a new positive for the dollar," said Michael Perelstein, a fund manager for MacKay-Shields Financial Corp.

TRADE: *U.S. Deficit Narrows in Asia*

Continued from Page 11

billion, surpassing the old mark of $152.1 billion set in 1987.

Analysts cautioned against reading too much into the trade improvement, saying it reflected in large part the fact that a sluggish U.S. economy was cutting into demand for imports as well as for domestically produced goods.

"This is not the same as getting a big surge in exports," said Robert Dederick, chief economic consultant at Northern Trust Co. in Chicago. "It is just that foreign producers are sharing some of our pain."

For November, the deficit with Japan dropped to $4.13 billion, the lowest level since May 1993.

The deficit with China, which has been soaring for most of this year, also improved in November, dipping to $2.75 billion, compared with $3.63 billion in October. The administration is threatening to impose new trade sanctions against China unless the country does more to honor a commitment made a year ago to crack down on the piracy of American movies, computer programs and other copyrighted goods.

The deficit with Canada, America's biggest trading partner, narrowed to $1.8 billion in November, but the imbalance with Mexico, the other partner in the North America Free Trade Agreement, surged to $1.67 billion, the highest level since March.

The deficit in November reflected a 0.9 percent increase in exports of goods and services, which rose to $67.36 billion, and a 0.7 percent drop in imports, which fell to $74.41 billion.

The monthly trade deficit peaked in June at a record $11.39 billion and has been showing gradual improvement since. Analysts expect the improving deficit will help bolster the overall economy, which they believe slowed dramatically in the final three months of last year on lackluster consumer demand.

The improvement in the overall deficit came despite the fact that America's foreign oil bill jumped 7.5 percent to $4.59 billion. The increase reflected higher volume. The average price per barrel of crude oil dipped to $15.13 in November.

■ Last-Minute Record Rally

The stock market shot higher near the close Wednesday as investors rotated back into consumer stocks and out of economically sensitive shares, news agencies reported from New York.

The Dow Jones industrial average rose 32.51 points to finish at 5,492.12, its seventh record in eight sessions. Advancing issues led decliners by a 12-to-11 ratio on the New York Stock Exchange, where trading volume was heavy.

The price of the benchmark 30-year Treasury bond was 109 24/32, down 8/32 point, bringing the yield up to 6.15 percent from 6.13 percent Tuesday.

Consumer-oriented stocks led the Dow higher, with McDonald's rising 1¼ to 53⅜ and Walt Disney

U.S. STOCKS

up 1⅛ to 63¾, while General Electric fell ⅝ to 78½, AT&T slipped ⅞ 66¾ and DuPont was unchanged at 79⅜.

"There is some backing and filling going on into consumer stocks, which had been weak," said John Church of Glenmede Trust Co. in Philadelphia.

Technology issues were some of the most active stocks, pulling back from gains earlier in the week. IBM fell ⅛ to 114⅜, weighing on the Dow industrials, while the Nasdaq composite index finished at 1,064.01, down 5.07 points from Tuesday's record high.

Micron Technology, the most active Big Board stock, fell ⅞ to close at 41.

Sun Microsystems fell 2¼ to 47½ on the Nasdaq after a newspaper report that Sun executives met secretly with executives from Apple Computer during the weekend.

Intel was down 1¼ to 58¼ in anticipation of the Semiconductor Industry Association's announcement late Wednesday of its book-to-bill ratio, the industry's key measure of profitability.

Other semiconductor stocks fell after a Montgomery Securities analyst downgraded several chipmakers. Applied Materials plunged 4 3/16 to 39 15/16, Lam Research fell 6½ to 45½, KLA Instruments lost 4⅛ to close at 30⅛, GaSonics International fell 1¼ to 10¼, OnTrak Systems slipped ⅜ to 14⅜, and Tencor Instruments dropped 3¼ to 24.

Oil stocks were mixed on the second day of talks between Iran and the United Nations on a plan to let Iran sell some oil, which would probably push down prices. Chevron slipped ¼ to 51⅞, Amoco fell ½ to 70, and Exxon was unchanged at 81⅜. *(AP, Bloomberg)*

Very briefly:

Anheuser Busch Lost $8.9 Million

ST. LOUIS (Bloomberg) — Anheuser-Busch Cos. on Wednesday reported a fourth-quarter operating loss of $8.9 million, compared with a profit of $161.8 million a year ago.

The world's largest brewer also gave up its quest to find a buyer for its Eagle Snacks unit, taking a $205.7 million charge to shutter the salty-snack company. Anheuser-Busch said it would sell four closed Eagle Snacks plants to PepsiCo Inc.'s industry-leading Frito-Lay unit. Terms were not disclosed.

Shares of the St. Louis-based maker of Budweiser beer plummeted $2.375 to close at $68.50, while PepsiCo shares surged $3.375 to close at $64.25.

- **Symantec Corp.**, a software concern specializing in combating computer viruses, said it expected to produce a program by Friday to detect the so-called Boza virus targeted at Microsoft Corp.'s Windows 95 operating system; Microsoft said that another virus named after the leader of a failed putsch that shook Venezuela four years ago — Lt. Col. Hugo Chavez — was attacking Windows 95 programs in Venezuela.
- **Aetna Life and Casualty Co.** said its health-plans segment posted operating profit of $71.8 million in the fourth quarter of 1995, down from $86.2 million a year ago.
- **Cardinal Health Inc.**, a drug wholesaler, will buy **Pyxis Corp.**, a manufacturer of pharmacy-management systems, in a stock deal worth $920 million, the companies said.
- **The U.S. Postal Service** posted a record $1.2 billion profit for the quarter ended Dec. 8, the first of its 1996 financial year.

Bloomberg, Reuters, AFX, AP

WORLD STOCK MARKETS

Wednesday, Feb. 7
Prices in local currencies.
Telekurs

Amsterdam

	High	Low	Close	Prev.
ABN-AMRO	72.40	71.30	71.30	71.60
Aegon	69.60	68.10	69.40	68.50
Ahold	68.50	67.80	68.30	67.60
Akzo Nobel	187	184.90	186.20	183.90
Bols Wess cva	35.30	34.60	35.10	34.70
CSM cva	74.60	74	74.60	73.20
Dordtsche Pet	247	244	244.60	245.40
DSM	145.70	143.90	145.70	143.70
Elsevier	23.30	22.80	23	22.80
Fortis Amev	105.30	103.30	103.90	105.30
G-Broc cva	51.90	51.20	51.40	51.30
Hagemeyer	95	94	95	93.80
Heineken	300	294.50	299.50	293.60
Hoogovens	64	62.50	63.70	62.20
Hunt Douglas	85.80	83	85.30	82.60
ING cva	106.60	105	105.60	105.90
KLM	53.60	52	52.60	52.30
KNP BT	46.50	45.10	46	44.80
KPN	63.80	63.10	63.50	63.20
Nedlloyd Gp	34.20	33.40	34	34.30
Nutricia	148.80	144.50	145.30	148.30
Oce Grinten	113	111.90	113	112.30
Pakhoed	40.80	39.90	40.40	40.10
Philips Elec	69	67.20	67.60	68.80
Polygram	95.80	94.30	94.50	94.70
Randstad Hdg	76	74.50	75.40	73.30
Robeco	121.70	121.30	121.40	120.60
Rodamco	47.40	47	47.30	47
Rolinco	130.10	129.30	129.30	129
Rorento	96.10	95.90	96	95.80
Royal Dutch	234.70	232	232.70	233.30
Stork	42.90	41.80	42.70	41.80
Unilever cva	237	234	236.40	234
VNU	N.T.	N.T.	N.T.	246
Wolters Kl cva	168.80	164	166.70	164

EOE index: 504.81
Previous: 502.73

Bangkok

	High	Low	Close	Prev.
Adv Info Svc	514	508	510	506
Bangkok Bk F	356	350	352	352
Krung Thai Bk	134	131	133	133
PTT Explor	286	284	284	286
Siam Cement F	1540	1480	1516	1474
Telecomasia	80	79	79.50	80
Thai Airways	50	48	49.75	47.75
Thai Farm Bk F	296	294	296	292
Thai Teleph	142	139	141	141
Utd Comm	350	346	348	350

SET index: 1408.73
Previous: 1415.04

Bombay

Tuesday, Feb. 6

	High	Low	Close	Prev.
Assoc Cement	3445	3250	3270	3290
Grasim Ind	575	545	550	570
Hindalco Ind	995	975	980	965
Indust Lever	680	635	655	670
Indian Hotels	705	675	690	675
ITC	258	247	250	250
Larsen Toubro	275	255	258	271
Reliance Ind	228	198	202	219.50
Tata Eng Loco	400	387	390	400
Tata Iron St	191.50	170.25	176.75	187

Sensitive index: 3154.89
Previous: 3233.32

Brussels

	High	Low	Close	Prev.
Arbed	3635	3610	3635	3600
Barco Ind	3890	3830	3865	3815
BBL	5800	5750	5750	5760
Bekaert	28250	27700	27850	27675
CBR	12175	12075	12125	12075
CMB	2430	2400	2410	2400
Cockerill	178	175	176	173
Cobruyl	9400	9350	9390	9280
Delhaize Lion	1308	1282	1284	1286
Electrabel	7350	7290	7350	7280
Electrafina	3050	3020	3020	3040
Fortis AG	3725	3695	3695	3705
GIB	1380	1348	1356	1350
GBL	4200	4150	4175	4150
Gen Banque	11475	11350	11375	11350
Glaverbel	3270	3190	3200	3180
Kredietbank	8820	8720	8770	8750
Mosane	7150	2150	2150	2100
Petrofina	8750	8640	8640	8670
Powerfin	4370	4310	4305	4350
Recticel	325	324	325	325
Royale Belge	6500	6390	6470	6410
Soc Gen Belg	2565	2535	2545	2550
Solvay	18000	17800	17925	17725
Tessenderlo	12250	12050	12250	12075
Tractebel	13375	13050	13125	13100
UCB	47500	47275	47400	47100
Union Miniere	2280	2250	2265	2240

Stock Exchange index: 8983.58
Previous: 8968.91

Copenhagen

	High	Low	Close	Prev.
Carlsberg B	326	318	324	321
Danisco	280	277	278	275
Den Danske Bk	400	389	390	388
D/S Svendbrg A	175000	175000	175000	178000
D/S 1912 A	123000	123000	123000	121500
East Asiatic Co	121	118	120	118
FLS Ind B	500	488	490	488
ISS Intl Svc B	149.20	146	148	148
Nvo Nordisk B	772	766	769	763
Radiometer B	435	429.50	435	425
Sophus Ber B	675	668	672	665
Tele Danmk B	321.50	315	318	319
Unidanmark A	290	283.57	287	285

Stock Market index: 388.14
Previous: 386.19

Frankfurt

	High	Low	Close	Prev.
AMB	915	915	915	930
AEG	162.50	162.20	162.20	161
Allianz Hdg	2832	2803	2806	2830
Altana	948	912	948	902
Asko Deutsche	810	800	809	812
Bodenwerk	495	495	495	495
BASF	362	357.30	360.80	351.40
Bayer Hypo Bk	38.65	38.40	38.45	38.32
Bay.Vereinsbank	44.05	43.85	43.85	43.85
Bayer	447.80	445.70	446.30	437.60
Berliner Kraft	414	411	413	407
BHF Bank	43.25	42.95	42.95	42.90
BMW	823	818	821	820
CKAG Colonia	1165	1160	1160	1170
Commerzbank	348.50	347.50	348.20	347.30
Daimler Benz	807.80	805	806.50	800.50
Degussa	548	542	546.50	539
Deutsche Bank	74.37	74.15	74.28	73.83
Dresdner Bank	39.35	39.15	39.20	39.25
Heidelbg Zmt	962	961	962	960
Henkel	583	580	580.50	584
Hochtief	693	685	687	690
Hoechst	456.50	452.70	454.75	443.70
Holzmann Ph.	604	596	596	600
Karstadt	558.80	551.50	551.50	563
Kaufhof Hdg	470	465	467.50	472
Linde	891	880	883	885
Lufthansa ord	228.50	223.50	228	222
MAN	447	444	444.30	442.50
Mannesmann	512	511	511.50	510.50
Muench Rueck	3220	3165	3165	3195
Preussag	433.50	431.50	432	430.60
PWA	207	207	206	207
RWE	58.10	57.85	58.05	57.22
SAP pfd	224	218	222.50	216.50
Schering	106.70	105.80	105.95	105.60
Schmalb Lub	237	232	235	239
Siemens	847.50	845.30	846.70	838.50
Suedzucker	799	760	799	770
Thyssen	278.50	277.50	278	276.50
Veba	65.43	65.20	65.36	64.90
VEW	490	490	490	490
Viag	632.50	628	630.80	626.50
Volkswagen	545	542	542	538.50
Wella	758.50	754	754	750

DAX index: 2446.16
Previous: 2428.28

Helsinki

	High	Low	Close	Prev.
Cultor 1	196.50	196	196	194
Enso-Gutzeit R	31.70	31	31.40	31
Huhtamaki IF	139	134.50	139	129
Kesko	59.50	58.70	59	58.50
Kone BF	367	360	365	363
Kymmene F	121	117.60	119.50	118.60
Merita A	11.90	11.80	11.80	11.80
Metra BF	190	185	190	188
Metsa-Serla B	134	129	132	130
Nokia Prf F	180	175.50	177	177.90
Outokumpu A	72.50	71.50	72	71
Rautaruukki	31	30.26	30.60	30
Repola	87	84	84	84.50
Stockmann A	242	242	242	241
Valmet A	129.90	125.10	128	124

HEX General index: 1823.16
Previous: 1823.48

Hong Kong

	High	Low	Close	Prev.
Amoy Props	9.75	9.60	9.75	9.80
Bk East Asia	32	31.50	31.70	31.80
Cathay Pacific	14.05	13.70	13.95	13.75
Cheung Kong	55	53.25	54.50	55.25
China Light	38.70	38.20	38.30	38.40
Chin Estates	7	6.75	6.90	7.05
Citic Pacific	30.90	30.30	30.70	30.80
Cons Elec Pwr	14.80	14.55	14.60	14.85
Dao Heng Bk	33.90	33.70	33.90	33.90
First Pacific	10.70	10.20	10.20	10.75
Great Eagle	23.40	22.80	22.80	23.35
Guangdong Inv	5.40	5.25	5.30	5.40
Guoco Group	44.50	43.80	44.30	44.30
Hang Lung	15.20	15	15.10	15.25
Hang Seng Bk	74	73	73.50	73
Henderson Inv	7.25	7.10	7.25	7.20
Henderson Ld	57.50	55.50	57.50	57.25
HKR Intl	9.30	9	9	9.35
HK Aircraft	24.35	24	24	24.25
HK China Gas	14.50	14.10	14.40	14.45
HK Electric	27.25	26.90	27.10	27.15
HK Shang Hils	12	11.85	11.95	12
HK Telecomm	16	15.70	15.95	15.85
Hopewell Hdgs	5.40	5.25	5.35	5.35
HSBC Hdgs	127.50	125.50	127.50	126.50
Hutchison Wh	52.25	51	52	52
Hysan Dev	23.75	23.50	23.60	23.75
Johnson El 500	16.10	15.95	16	16.20
Miramar Hotel	17	16.80	16.90	16.60
Nat Mutual	7.90	7.70	7.80	7.80
New World	37.40	36.90	37	37.50
Oriental Press	3.33	3.25	3.28	3.30
Orient Telecom	2.70	2.68	2.68	2.68
Shangri-La	11.20	10.85	11.15	10.80
SHK Props	72	70	71.50	71
Shun Tak Hdgs	6	5.80	5.95	5.90
Sino Land Co.	8.35	8.20	8.35	8.35
Sth China Post	5.50	5.40	5.50	5.50
Swire Pac A	69.25	68.50	68.75	70
Tsim Sha Tsui	8.60	8.50	8.50	8.65
TV Broadcasts	30	29.40	29.40	30
Wharf Hdgs	31.20	30.60	30.60	31.30
Wheelock	16.50	16.40	16.40	16.55

Hang Seng index: 11388.68
Previous: 11391.40

Jakarta

	High	Low	Close	Prev.
Astra Intl	3475	3450	3475	3475
Bank Pacific	1975	1925	1925	1975
Gudang Garm	27875	27500	27500	27925
Indah Kiat	1825	1700	1725	1825
Indocement	9275	9125	9150	9275
Indofood	11500	11375	11400	11300
Indorayon	2625	2525	2575	2600
Indosat	9325	9275	9300	9275
Kalbe Farma	9000	8900	9000	8975
Sampoerna	28275	27900	28025	28475

Composite index: 591.36
Previous: 592.92

Johannesburg

	High	Low	Close	Prev.
AngloAm-Corp	271	269	269	269
AngloAm Gold	413	409	413	405
AngloAm Ind	176	176	176	176
Barlow	57	56.50	56.50	56
C.G. Smith	29.75	29.50	29.75	29.25
De Beers	125.75	125.50	125.75	125
Driefontein	63	61.50	62.75	60.35
Freegold	43.25	41.75	43	41.25
Fst Natl Bk	36	36	36	36
Gencor	15.40	15.25	15.30	15.30
GFSA	144	142	144	142
Iscor	3.25	3.15	3.20	3.15
Johnnies Ind	57.25	57	57	57.25
Kloof Gold	56	52.75	56	52.50
Liberty Life	125	122	125	122
Nedcor	65	65	65	65
Rembrandt Gp	40.25	39.50	39.50	40
Richemont	60.50	60	60	60
Rust Platinum	82.75	82	82.50	82
SA Breweries	140	139	139	138
Sappi	44.50	44.50	44.50	43.50
Sasol	32	31.75	31.75	31.60
SBIC	176	176	176	176
Tiger Oats	71	71	71	70

All Market index: 6968.29
Previous: 6921.94

Kuala Lumpur

	High	Low	Close	Prev.
Genting	25.25	24.50	24.90	25.75
Hicom Hldgs	5.70	5.55	5.65	5.55
Mal Banking	22.80	22.50	22.50	22.70
Mal Intl Ship F	7.65	7.60	7.60	7.65
Public Bank F	6.75	6.60	6.65	6.75
Resorts World	14.90	14.70	14.90	14.80
Sime Darby	7	6.95	7	7
Telekom Mal	21.90	21.70	21.80	21.80
Tenaga	10.30	10.10	10.20	10.30
Utd Engineers	16.20	16.10	16.20	16.30

Composite index: 1080.01
Previous: 1082.79

London

	High	Low	Close	Prev.
Abbey Natl	6.07	5.97	6	6.04
Allied Domecq	5.27	5.05	5.12	5.07
Anglian Water	5.80	5.73	5.79	5.77
Argyll Group	3.13	3.05	3.13	3.12
Arjo Wiggins	1.88	1.85	1.85	1.87
Asda Group	1.05	1.04	1.05	1.04
Assoc Br Foods	3.92	3.84	3.86	3.89
BAA	4.92	4.82	4.85	4.88
Barclays	8.06	7.87	7.91	7.98
Bass	7.47	7.40	7.42	7.39
BAT Ind	5.80	5.65	5.68	5.75
Bank Scotland	2.96	2.92	2.92	2.94
BICC	2.89	2.83	2.83	2.88
Blue Circle	3.65	3.58	3.59	3.60
BOC Group	9.49	9.38	9.42	9.44
Boots	6.09	6	6.02	6.07
Rexam	3.71	3.61	3.65	3.70
BPB Ind	3.18	3.10	3.13	3.13
Brit Aerosp	8.66	7.90	8.40	8.61
Brit Airways	5.07	5.03	5.05	5.04
Brit Gas	2.46	2.35	2.42	2.43
Brit Petm	5.37	5.29	5.30	5.34
Brit Steel	1.73	1.68	1.70	1.72
Brit Telecom	3.91	3.56	3.58	3.62
BTR	3.41	3.26	3.28	3.35
Burmah Cast	9.87	9.80	9.84	9.84
Cable Wireless	4.67	4.52	4.55	4.56
Cadbury Schw	5.37	5.33	5.33	5.35
Caradon	2.28	2.13	2.14	2.29
Carlton Comm	10.67	10.52	10.54	10.63
Coats Viyella	1.91	1.87	1.88	1.89
Comm Union	6.17	6.09	6.12	6.12
Courtaulds	4.36	4.25	4.26	4.36
De La Rue	7.30	7.22	7.25	7.22
Eng China Cl	3.25	3.18	3.18	3.17
Enterprise Oil	3.60	3.50	3.58	3.59
Fam Colonial	1.68	1.66	1.66	1.66
Forte	3.52	3.47	3.48	3.50
Genl Accident	6.44	6.30	6.30	6.41
GEC	3.68	3.62	3.63	3.67
GKN	8.55	8.20	8.27	8.52
Glaxo	9.51	9.29	9.40	9.48
Granada Gp	7.38	7.22	7.32	7.37
Grand Met	4.40	4.32	4.36	4.31
GRE	2.58	2.52	2.52	2.57
Guinness	4.57	4.48	4.50	4.55
GUS	6.95	6.85	6.88	6.92
Hanson	1.93	1.89	1.90	1.91
Hillsdown Hdg	1.78	1.74	1.78	1.73
HSBC Hldgs	10.87	10.64	10.66	10.64
ICI	8.26	8.10	8.13	8.23
Inchcape	2.68	2.63	2.63	2.67
Kingfisher	5.29	5.23	5.24	5.26
Ladbroke	1.79	1.73	1.73	1.78
Land Sec	6.22	6.18	6.20	6.20
Laporte	6.40	6.30	6.37	6.38
Lasmo	1.68	1.64	1.67	1.67
Legal Genl Grp	7.04	6.94	6.94	7.03
Lloyds Bank	4.87	4.83	4.85	4.84
Lloyds TSB Gp	3.32	3.24	3.28	3.28
London Elec	7.55	7.37	7.40	7.50
Lucas Ind	1.96	1.92	1.94	1.98
Marks Spencer	4.32	4.28	4.30	4.29
MEPC	4.07	4.02	4.04	4.01
Mercury Asset	8.87	8.79	8.80	8.82
Midlands Elec	3.98	3.88	3.93	3.94
Natl Power	4.60	4.54	4.57	4.57
NatWest	6.78	6.65	6.67	6.71
News Intl	3.01	2.96	3	2.95
Utd Utilities	6.02	5.95	6	6
Nthern Foods	1.91	1.88	1.88	1.89
P&O	5.52	5.31	5.38	5.42
Pearson	6.99	6.77	6.83	6.80
Pilkington	2.07	2	2.06	2.01
Powergen	5.28	5.23	5.24	5.26
Prudential	4.37	4.33	4.36	4.33
Rank Org	4.75	4.66	4.66	4.72
Reckitt Colm	6.95	6.83	6.95	6.90
Redland	4.14	4.05	4.08	4.06
Reed Intl	10.22	10.06	10.10	10.06
Rentokil	3.66	3.53	3.62	3.63
Reuters Hdgs	6.34	6.18	6.21	6.30
RMC Group	10.60	10.40	10.45	10.42
Rolls Royce	2.20	2.12	2.14	2.18
Royal Bk Scot	5.63	5.53	5.57	5.55
RTZ reg	9.59	9.30	9.33	9.43
Royal Insur	3.81	3.73	3.73	3.77
Sainsbury	3.92	3.87	3.88	3.89
Schroders	12.75	12.30	12.45	12.67
Scot Newcastle	6.70	6.58	6.60	6.64
Scot Power	3.94	3.89	3.91	3.92
Sears	0.96	0.94	0.96	0.95
Severn Trent	6.40	6.35	6.35	6.40
Shell Trsp reg	8.60	8.49	8.52	8.57
Siebe	8.05	7.92	7.97	8.01
Smith Nephew	1.90	1.84	1.90	1.85
Smith (WH)	4.19	4.10	4.10	4.13
SmithKline cIA	7.19	7.10	7.11	7.15
Smiths Ind	6.57	6.53	6.55	6.53
Sthern Elec	7.95	7.19	7.75	7.75
Stand Charter	6.24	6.05	6.13	6.17
Sun Alliance	3.84	3.75	3.78	3.81
Tate & Lyle	4.68	4.65	4.67	4.67
Tesco	2.84	2.80	2.82	2.82
Thames Water	5.53	5.45	5.47	5.52
Thorn EMI	17.25	17	17.02	17.20
3i Group	4.15	4.11	4.12	4.11
TI Group	4.81	4.65	4.65	4.80
Tomkins	2.76	2.70	2.70	2.73
Unilever	13.15	13.07	13.08	13.13
Utd Biscuits	2.46	2.42	2.42	2.43
Utd News	6.35	5.95	6.21	5.95
Vendome uts	5.68	5.65	5.65	5.69
Vodafone	2.38	2.32	2.34	2.34
Whitbread	7.25	7.17	7.19	7.20
Williams Hdgs	3.37	3.32	3.34	3.35
Wolseley	4.70	4.64	4.64	4.67
Zeneca	12.55	12.38	12.40	12.43

FT-SE 100 index: 3726.10
Previous: 3747.50

Madrid

	High	Low	Close	Prev.
Acerinox	13080	12860	12970	12770
ACESA	1275	1265	1270	1255
Argentaria	5370	5290	5340	5260
BBV	4665	4585	4665	4550
Banesto	873	864	869	872
Bankinter	13250	13150	13230	13230
Bco Centro Hisp	2700	2665	2675	2685
Bco Exterior	3235	3225	3235	3235
Bco Popular	21800	21550	21570	21670
Bco Santander	5910	5840	5860	5840
CEPSA	3690	3575	3690	3695
Corp Mapfre	6900	6770	6840	6850
Dragados	1725	1675	1675	1705
Endesa	6760	6640	6670	6730
FECSA	840	821	827	839
Fomento Const	10450	10300	10300	10420
Gas Natural	18400	18250	18300	18350
Hidroel Cantab	4200	4155	4170	4195
Iberdrola	1140	1100	1115	1135
Pryca	2375	2350	2350	2350
Repsol	4415	4400	4410	4395
Sevillana Elec	916	898	899	909
Tabacalera	4885	4835	4840	4840
Telefonica	1825	1805	1825	1800
Union Fenosa	667	655	659	665
Valenc Cement	1365	1360	1365	1370

Stock Exchange index: 328.68
Previous: 328.38

Manila

	High	Low	Close	Prev.
Ayala A	23.75	23.50	23.50	24
Ayala Land	34	34	34	34.50
Manila Elec A	165	161	161	165
Metro Bank	585	575	580	580
Petron	14.25	13.25	13.75	14.25
Phil Long Dist	1690	1680	1685	1690
San Miguel A	58.50	57.50	57.50	58.50
San Miguel B	100	99.50	99.50	100
SM Prime Hdg	8.10	8	8.10	8.10

PSE index: 2882.94
Previous: 2915.03

Mexico

	High	Low	Close	Prev.
Alfa A	99.10	98.10	98.40	99.20
Cemex B	30.60	30.30	30.40	31.00
Cifra C	9.78	9.70	9.74	9.80
Empresas ICA	100.60	99.70	100.50	101.00
Emp Moderna	33.65	32.85	33.00	33.65
Femsa	20.50	19.80	19.94	20.50
Gpo Carso A1	51.60	51.10	51.30	51.80
Televisa CPO	101.50	99.30	99.30	102.50
TelMex L	12.18	12.04	12.16	12.22
Tribasa CPO	30.70	30.00	30.40	30.90

Bolsa index: 3010.83
Previous: 3048.09

Milan

	High	Low	Close	Prev.
Alleanza Assic	15495	15180	15260	15450
Bco Comm Ital	3650	3605	3630	3620
Bco Naz Agricol	1139	1081	1116	1139
Bco Naz Lavoro	12890	12400	12890	12690
Bco di Roma	1760	1725	1740	1722
Bco Ambrosian	4880	4775	4805	4820
Benetton	18980	18650	18980	18890
Credito Italiano	1979	1950	1950	1956
Fiat	5245	5175	5180	5180
Fondiaria	8190	8085	8120	8140
Generali Assic	39850	39550	39650	39650
IFIL	5370	5280	5370	5295
Italcementi	10945	10730	10945	10760
Italgas	5170	5105	5150	5070
Mediobanca	11500	11280	11450	11350
Montedison	1047	1026	1026	1039
Olivetti	978	935	947	960
Pirelli	2220	2180	2205	2200
RAS	17750	17580	17600	17635
Rinascente	10850	10710	10815	10850
S Paolo Torino	10350	10200	10350	10240
SME	1644	1600	1644	1600
Standa	N.T.	N.T.	N.T.	22000
Stet	5020	4955	4960	4960
Telecom Italia	2670	2620	2630	2640
Toro Assic	22800	22450	22750	22550

MIB Telematico index: 9999.00
Previous: 9993.00

Montreal

	High	Low	Close	Prev.
Alcan I	19	18¾	18⅞	19⅛
Bank Montreal	32½	31⅞	32⅛	32½
Bco Mob Com	44¾	44¼	44⅜	44½
Cdn Tire A	15	14⅝	14⅞	14⅝
Cdn Util A	26⅛	26⅛	26⅛	26⅜
Cascades	7	6⅞	6⅞	6⅞
CT Finl Svc	24⅞	24⅞	24⅞	24⅞
Extendicare	32	31⅞	31⅞	32
Gaz Metro	15	14⅞	15	14⅞
Gt-West Lifeco	29	29	29	29¼
Hees Intl Bcp	15	14⅞	14⅞	14¾
Hudson's Bay	18¼	17¾	17⅞	18
Imasco	26⅜	26	26⅜	26½
Investors Grp	17⅞	17⅝	17⅞	17⅝
Loblaw Cos	33⅞	33⅝	33⅝	34
Molson A	24	23⅞	24	24
Natl Bk Canada	11⅛	11⅛	11⅛	11⅛
Oshawa A	23⅜	23⅛	23⅜	23¼
Pancdn Petlm	N.T.	N.T.	N.T.	52⅛
Power Corp	20⅝	20⅜	20⅜	20½
Power Finl	34⅝	34⅛	34⅜	34⅝
Quebecor B	23⅝	23½	23½	23⅜
Rogers Comm B	14⅝	14⅜	14⅝	14⅝
Royal Bk Cda	32⅝	32⅜	32⅜	32½
Sears Canada	5⅝	5⅝	5⅝	5⅝
Shell Cda A	43	42⅝	42⅝	43
Southam	14⅝	14⅛	14⅝	14¼
Stelco A	6⅝	6½	6½	6⅝
Trilon Finl A	4.60	4.55	4.60	4.60

Industrials index: 2506.14
Previous: 2498.59

Oslo

	High	Low	Close	Prev.
Aker A	84.50	83	84	84
Bergensen Dy B	127	126	126	126
Christiania Bk	16.20	15.50	16	15.50
Den Norske Bk	19.20	18.20	19	18.30
DI Norsk Luft	292	290	290	290
Dyno Indust	135	133.50	134	133.50
Elkem	75	73	73.50	73.50
Hafslund A	185.50	180.50	180.50	183.50
Kvaerner	219	216	216	217
Leif Hoegh	94.50	94.50	94.50	95
Norsk Hydro	272	269.50	271.50	270.50
Norske Skog A	186	180	183.50	182
Orkla	305	299	300	303
Rieber B	126	126	126	127
Saga Petlm B	71.50	70.50	71	71
Schibsted	94	90	93	89.50
UniStorebr A	37.20	35.90	36	36.20

OBX index: 419.58
Previous: 417.19

Paris

	High	Low	Close	Prev.
Accor	693	674	693	669
AGF	151.70	147.20	147.90	147.50
Air Liquide	923	912	917	908
Alcatel Alsth	469.50	455.50	455.50	464.50
Axa	316.70	306.50	309.90	306
Bancaire	505	485.50	489	497.30
BNP	204.50	196	198	204
Bouygues	538	528	529	536
Canal Plus	980	951	953	1000
Carrefour	3280	3183	3187	3246
CCF	245.50	243	243	244.50
CarnaudMB	224	220.20	224	221
Credit Local d	438	430.10	433	430.60
Credit Lyon PC	230	220.50	220.50	228.80
Danone	808	790	793	805
Elf-Aquitaine	375.50	364	364.20	372.80
Eridania BS	898	886	895	897
Euro Disney	13.20	12.95	13.20	12.95
Eurotunnel uts	6.85	6.45	6.75	6.35
Gen. Eaux	541	529	536	535
Havas	400	387.20	394.50	390.60
Lafarge Cop	336.40	332.10	332.10	332
Legrand	927	901	924	898
L'Oreal	1426	1405	1413	1425
LVMH	1157	1134	1147	1134
Lyon. Eaux	466.80	455.20	456.20	464
Michelin B	220.70	216.50	218.60	216.10
Navig Mixte	722	705	717	705
Paribas A	261	253.30	254.30	259.90
Pechiney Intl	94.40	92.50	94	92.50
Pernod Ricard	315.80	305.50	309	310
Peugeot Cit	737	729	729	739
Pinault-Print	1178	1160	1174	1166
Promodes	1423	1400	1410	1397
Renault	151.50	146.30	147.80	148
Rh-Poulenc A	125.60	123.50	124.10	123.10
Roussel-Uclaf	932	918	923	919
Sanofi	336.50	331.10	335	330.50
Schneider	211.70	207.80	211.50	205.80
Ste Generale	602	590	591	595
St Gobain	655	641	650	636
St Louis	1460	1435	1458	1442
Suez	192.80	185	187.50	190.30
Thomson CSF	127.80	124.30	126.30	125
Total B	345	338	338.60	340.60
UAP	118.30	114	116.10	117.30
Valeo	272.40	260	265	268.70

CAC-40 index: 1983.29
Previous: 1988.47

São Paulo

	High	Low	Close	Prev.
Bco Brasil Pfd	14.650	14.00	14.20	14.27
Banespa Pfd	5.950	5.90	5.90	5.94
Bradesco Pfd	11.60	11.150	11.450	11.35
Brahma Pfd	490.00	484.00	490.00	485.00
Cemig Pfd	26.80	26.15	26.60	26.49
CESP Pfd	33.20	33.00	33.030	33.50
Eletrobras B	320.00	312.00	312.00	322.00
Itaubanco Pfd	352.00	345.00	352.00	350.00
Light	310.00	305.00	308.50	307.00
Paranapan Pfd	14.70	14.50	14.70	14.60
Petrobras Pfd	114.00	111.01	111.10	113.49
Sid Nacional	28.20	28.00	28.11	28.30
Souza Cruz	7.780	7.70	7.78	7.750
Telebras Pfd	55.150	54.30	54.40	55.00
Telesp Pfd	174.00	172.00	173.00	174.790
Usiminas Pfd	1.170	1.150	1.16	1.16
CVRD Pfd	180.00	171.00	171.01	180.00

Bovespa index: 52838.10
Previous: 53540.90

Seoul

	High	Low	Close	Prev.
Daewoo Heavy	8080	7920	7940	8000
Hyundai Eng	37800	37300	37700	37500
Hyundai Motor	34100	33900	34100	34000
Korea El Pwr	30000	29700	30000	30000
Korea Mob Tel	653000	635000	645000	643000
LG Electronics	24000	23500	23600	23700
Pohang Iron St	54100	53900	53900	53800
Samsung Elec	139000	134000	139000	135000
Samsung Hvy	19700	19300	19400	19200
Yukong	25300	24600	24700	25000

Composite index: 883.77
Previous: 881.21

Singapore

	High	Low	Close	Prev.
Cerebos Pac	11.80	11.40	11.80	11.40
City Devlts	12	11.70	11.90	12.10
Cycle Carriage	15.80	15.60	15.70	15.90
Dairy Farm Int*	0.95	0.93	0.93	0.95
DBS	11	10.80	10.90	11
DBS Land	5.90	5.55	5.70	5.85
Fraser & Neave	20.80	20.30	20.70	20.50
HK Land*	2.31	2.25	2.31	2.33
Hong Leong Fin	4	4	4	4.02
Jard Matheson*	8.40	8.25	8.35	8.35
Jard Strategic*	3.44	3.38	3.44	3.46
Keppel	14.10	14	14.10	14.10
Natsteel	3.10	3.02	3.04	3.08
Neptune Orient	1.74	1.69	1.69	1.70
OCBC foreign	20.20	19.90	19.90	20.10
O'Seas Union Bk	7.25	7.20	7.25	7.20
Sembawang	8.60	8.40	8.50	8.60
Sing Airlines F	15.50	15.20	15.30	15.40
Sing Petm	1.83	1.81	1.81	1.81
Sing Press F	27	26.60	26.70	26.50
ST Auto F	3.22	3.18	3.20	3.26
ST Ship	2.74	2.69	2.70	2.74
Sing Telecomm	3.52	3.44	3.50	3.50
Straits Steam	5.05	4.96	4.98	5
Utd Industrial	1.59	1.54	1.56	1.61
Utd O'Sea Bk F	15.70	15.40	15.60	15.50
Wing Tai Hdgs	3.48	3.36	3.46	3.44

*: In U.S. dollars.
Straits Times index: 2491.93
Previous: 2493.71

Stockholm

	High	Low	Close	Prev.
AGA BF	104	102.50	103	103
Asea AF	678	672	677	670
AssiDoman F	146.50	142	145	143.50
Astra AF	282.50	278	281	279.50
Atlas Copco AF	110.50	108.50	109	108
Avesta F	59.50	57.50	58	58.50
Electrolux BF	314.50	309	312	311
Ericsson BF	147	143.50	145.50	147
Gambro BF	153.50	153.50	153.50	153.50
Hennes BF	428	420	426	420
Incentive AF	304	300	302	302
Investor BF	233	225	230	224
Kinnevik BF	199.50	198	198	198
MoDo BF	321	316	318	314
Sandvik BF	124	121	123.50	120.50
SCA BF	117.50	114.50	116	115
S-E Banken AF	51.50	50	51.50	49.70
Skandia Fors F	170	167	170	166.50
Skanska BF	208	205	207	205
SKF BF	137.50	130.50	132	136
SSAB BF	78.50	75	75	77
Stora AF	84	82	83.50	81.50
Sv Handles AF	132.50	129.50	131.50	130.50
Sydkraft AF	140	138	140	139
Trelleborg BF	78	76	77.50	76
Volvo BF	131.50	129	130.50	129.50

SX 16 index: 1941.39
Previous: 1938.83

Sydney

	High	Low	Close	Prev.
Amcor	9.80	9.65	9.65	9.74
ANZ Bking	6.70	6.61	6.61	6.71
BHP	18.93	18.80	18.80	18.80
Boral	3.53	3.46	3.52	3.45
Brambles Ind.	15.45	15.35	15.40	15.40
Burns Philp	2.93	2.88	2.89	2.92
CBA	11.82	11.73	11.78	11.73
CC Amatil	12.52	12.40	12.52	12.50
Coles Myer	4.53	4.43	4.51	4.41
Comalco	6.75	6.52	6.75	6.52
CRA Ltd	19.74	19.63	19.66	19.62
CSR	4.35	4.31	4.35	4.30
Fosters Brew	2.21	2.19	2.20	2.19
GIO Australia	3.18	3.15	3.16	3.18
Goodman Fld	1.39	1.36	1.39	1.36
ICI Australia	10.40	10.35	10.38	10.38
John Fairfax	2.98	2.90	2.90	2.94
Lend Lease	20.90	20.50	20.50	20.60
Mayne Nickless	6	5.92	6	5.93
MIM Hdgs	1.69	1.67	1.67	1.67
Nat Aust Bank	12.90	12.76	12.78	12.80
News Corp	7	6.88	6.92	6.90
North Ltd	3.81	3.72	3.72	3.80
Pacific Dunlop	3.33	3.30	3.32	3.33
Pioneer Intl	3.90	3.84	3.87	3.83
Placer Pacific	2.98	2.91	2.92	2.98
Santos	3.89	3.85	3.88	3.86
Southcorp	3.29	3.26	3.27	3.25
Wesfarmers	8.05	8	8.02	8
Wstrn Mining	8.62	8.52	8.58	8.51
Westfield Trt	2.38	2.35	2.37	2.38
Westpac Bkg	6.25	6.20	6.21	6.22
Woodside Pet	6.87	6.82	6.82	6.85
Woolworths	3.35	3.33	3.34	3.35

All Ordinaries index: 2273.70
Previous: 2269.70

Taipei

	High	Low	Close	Prev.
Asia Cement	41.50	40.80	41.50	41.30
Cathay Life Ins	117	114	117	114
Chang Hwa Bk	95.50	94	95.50	94
China Steel	20	19.60	20	19.70
China Trust	40	39.10	40	39.30
Evergreen	43.20	42.20	42.70	42.60
Far East Text	23	22.70	23	22.80
First Bank	97.50	95.50	97	96
Formosa CF	22.90	22.50	22.90	22.70
Hua Nan Bk	81.50	79.50	81	80
Hualon Teijran	17.40	17	17.30	17
ICBC	70.50	69	70.50	69
President Ent	31.10	30.70	31.10	30.80
Taiwan Cemt	35.60	35	35.60	35.20
Tatung	48.50	47.70	48.40	47.90

Stock Market index: 4758.83
Previous: 4698.22

Tokyo

	High	Low	Close	Prev.
Ajinomoto	1230	1180	1200	1200
All Nippon Air	1060	1030	1050	1020
Asahi Bank	1280	1240	1270	1280
Asahi Chem	785	776	780	782
Asahi Glass	1220	1200	1220	1220
Bank of Tokyo	1750	1670	1740	1690
Bk Yokohama	835	803	832	803
Bridgestone	1670	1630	1670	1650
Canon	2050	2000	2040	2010
Chiba Bank	908	903	907	907
Chubu Elec	2500	2470	2490	2490
Chugoku Elec	2450	2430	2450	2450
Daiei	1310	1250	1310	1260
Daiichi Kang	2060	2010	2060	2030
Daiwa Bank	777	760	777	762
Daiwa House	1690	1660	1680	1670
Daiwa Sec	1580	1490	1550	1510
Fanuc	4670	4550	4650	4530
Fuji Bank	2410	2350	2410	2370
Fuji Photo	3100	2950	3100	3050
Fujitsu	1140	1120	1140	1110
Hitachi	1090	1060	1090	1060
Honda Motor	2420	2340	2400	2340
IBJ	2990	2830	2970	2860
IHI	484	473	482	468
Itochu	725	700	724	705
Ito-Yokado	6300	6160	6250	6230
JAL	733	712	729	719
Jusco	2770	2680	2750	2670
Kajima	1140	1110	1130	1120
Kansai Elec	2500	2470	2490	2490
Kao	1340	1320	1330	1340
Kawa Steel	370	358	363	361
KDD	8650	8570	8610	8560
Kinki Nipp Ry	804	794	800	797
Kirin Brewery	1300	1260	1290	1270
Kobe Steel	340	329	340	329
Komatsu	908	886	907	892
Kubota	673	668	669	669
Kyocera	7580	7500	7520	7610
Kyushu Elec	2490	2450	2490	2460
LTCB	800	775	800	774
Marubeni	567	559	565	565
Marui	2060	2000	2030	2020
Matsu Elec Ind	1770	1710	1760	1720
Matsu Elec Wk	1150	1140	1150	1150
Mitsubishi	1350	1300	1350	1310
Mitsubishi Bk	2380	2280	2370	2300
Mitsubishi Ch	560	550	560	556
Mitsubishi El	792	773	792	771
Mitsubishi Est	1280	1240	1270	1250
Mitsubishi Hvy	872	845	870	840
Mitsubishi Mot	870	860	870	864
Mitsubishi Tr	1720	1670	1700	1690
Mitsui	929	919	928	922
Mitsui Fudosn	1250	1230	1240	1240
Mitsui Trust	1140	1100	1140	1120
Murata Mfg	3640	3590	3640	3540
NEC	1310	1270	1290	1260
New Oji Paper	999	985	998	991
Nikko Sec	1320	1260	1310	1280
Nintendo	7550	7350	7540	7350
Nipp Credit Bk	420	406	420	409
Nipp Express	1030	988	1020	1010
Nippon Oil	629	616	620	623
Nippon Paper	770	745	770	747
Nippon Steel	361	356	358	358
Nippon Yusen	615	607	608	610
Nippondenso	2040	2020	2020	2040
Nissan Motor	840	830	836	835
NKK	304	296	300	300
Nomura Sec	2300	2240	2300	2260
NTT	8400a	8270a	8330a	8260a
Obayashi	867	846	867	856
Odakyu El Ry	730	711	730	711
Ono Pharm	3920	3900	3920	3900
Osaka Gas	384	381	383	382
Ricoh	1210	1190	1200	1180
Sakura Bk	1230	1180	1230	1190
Sankyo	2540	2510	2530	2540
Sanwa Bank	2030	1990	2030	2000
Sanyo Elec	635	614	629	614
Secom	6880	6800	6850	6820
Seibu Rwy	5190	4950	5190	4890
Sekisui House	1360	1330	1350	1340
Seven-Eleven	7420	7250	7410	7250
Sharp	1700	1620	1690	1650
Shimizu	1150	1130	1140	1150
Shin-etsu Ch	2170	2140	2160	2160
Shizuoka Bk	1290	1250	1290	1260
Sony	6760	6450	6520	6500
Sumitomo	1150	1130	1150	1140
Sumitomo Bk	2030	1990	2030	2000
Sumit Chem	560	537	551	543
Sumitomo Elec	1420	1370	1420	1370
Sumit Metal	337	329	337	333
Sumit Trust	1420	1390	1410	1400
Taisei	740	725	739	725
Taisho Pharm	2100	2080	2100	2110
Takeda Chem	1710	1690	1710	1700
TDK	5270	5180	5260	5190
Tohoku El Pwr	2560	2530	2560	2560
Tokai Bank	1420	1390	1410	1400
Tokio Marine	1390	1310	1390	1330
Tokyo El Pwr	2760	2730	2750	2750
Tokyo Gas	391	385	391	388
Tokyu	765	731	765	736
Tonen	1580	1540	1560	1540
Toppan Print	1430	1390	1430	1420
Toray Ind	698	691	694	699
Toshiba	847	829	844	827
Toyo Seikan	3410	3240	3370	3380
Toyo Trust	995	960	995	965
Toyota Motor	2330	2300	2320	2320
Yamaichi Sec	812	794	811	795
Yamanouchi	2360	2340	2360	2370
Yasuda Fire	779	765	775	774
Yasuda Trust	630	615	629	605

a: x 100
Nikkei 225 index: 20943.49
Previous: 20751.15

Toronto

	High	Low	Close	Prev.
Abitibi Price	23⅛	22½	22½	23
Air Canada	5⅛	5	5⅛	5
Alberta Energy	23⅞	23⅜	23½	23⅜
Alcan Alum	44⅜	44⅛	44¼	44
Avenor A	25⅛	23⅝	23⅞	25⅛
Bk Nova Scotia	31¼	30⅞	31⅛	31⅜
Barrick Gold	45	41¾	41⅞	44⅜
BCE	50⅛	49½	50⅛	49⅝
BC Telecomm	26⅛	26⅛	26⅛	26⅛
Bombardier B	20⅝	20	20⅛	20⅛
Brascan A	24⅛	24⅛	24⅛	24⅛
Cameco	75	73⅞	74	74⅛
CIBC	41½	40⅝	41½	41⅛
Cdn Airlines	2.80	2.74	2.80	2.70
Cdn Nat Res	22⅞	22	22⅜	22
Cdn Occid Pet	42⅝	42⅜	42⅞	42⅜
Cdn Pacific	27⅛	26⅝	26⅞	27⅛
Cominco	29⅝	27⅞	29⅛	29⅛
Consumers Gas	20¼	20	20¼	20⅛
Dofasco	21	20⅝	20⅝	21
Domtar Ind B	10½	10⅜	10½	10⅛
Du Pont Cda A	27	26	27	26
Echo Bay Min	20¼	19	19	19⅝
Empire Co. A	12½	12¼	12¼	12⅛
Falconbridge	31⅜	30⅝	30⅝	30⅝
Fletcher Chall A	21⅛	20⅝	20⅝	21⅛
Franco Nevada	90	87½	88	89⅝
Guardian Cap A	N.T.	N.T.	N.T.	10
Hemlo Gold	17⅛	17⅛	17⅛	17¼
Horsham	20⅛	19⅝	19⅞	20⅝
Imperial Oil	51	50⅛	50⅜	50⅞
Inco	50	49⅛	49⅝	49
IPL Energy	34⅛	33⅜	34	33⅞
Laidlaw A	14⅛	14⅛	14⅛	14
Laidlaw B	14⅛	14⅛	14⅛	14⅛
Loewen Group	37½	36⅜	36⅝	37⅜
Ldn Insur Gp	27⅞	27½	27⅝	27⅝
Macmill Bld	18⅛	17⅞	18⅛	17⅞
Magna Intl A	58¼	57⅞	58	58⅛
Maple Leaf Fds	6⅞	6⅜	6⅜	6⅝
Moore	27⅛	26⅞	27⅛	27
Newbridge Net	69⅝	67⅜	69	69⅛
Noranda Inc	29⅛	28⅝	29⅛	28⅞
Noranda Forest	9⅝	9½	9⅝	9⅝
Norcen Energy	20⅛	19⅞	20	20
Nthern Telecom	65⅞	64⅜	65½	64⅞
Nova	12⅛	12⅛	12⅛	12⅛
Onex	14⅝	14½	14⅝	14⅝
Placer Dome	42	38⅝	39	41¼
Potash Sask	104	102¾	103¾	102⅝
Provigo	8	7⅞	8	7⅞
Quebecor Print.	23⅛	23⅛	23⅛	23⅛
Renaissance	34⅝	34⅛	34⅛	34⅝
Rio Algom	25⅞	25⅛	25⅞	25½
Seagram Co	48⅜	48⅛	48⅜	48⅝
Stone Consold	19⅛	19½	19⅛	19⅝
Talisman Eny	29⅝	29⅛	29½	29½
Teleglobe	17⅞	17⅛	17⅞	17⅞
Telus	16⅜	16¼	16¼	16½
Thomson	20½	20¼	20½	20⅛
TorDom Bank	24½	23⅞	24⅛	24½
Transalta	15⅛	15	15⅛	15⅝
TransCda Pipe	20	19⅝	19⅞	19⅞
Utd Dominion	32	31½	31½	32
Westburn	9½	9½	9½	9⅝
Westcoast Eny	21⅝	21⅛	21½	21½
Weston	49⅝	48⅞	49⅜	49

TSE Industrials index: 5026.50
Previous: 5049.47

Vienna

	High	Low	Close	Prev.
Aust Airlines	1880	1880	1880	1945
Bau-Un Goess	620	614	616	597
Bund Vers Pfd	446	446	490	490
Creditanst PC	1685	1650	1660	1675
EA-Generali	3720	3670	3690	3700
EVN	1458	1432	1448	1415
Interunfall	1580	1580	1550	1550
Lenzing	904	898	904	901
Leykam	361	357	358	356
Mayr-Melnhof	515	511	511	[illegible]
OEMV	994	986	986	985
Oest Brau-Bet	564	556	557	549
Oest Elektriz	685	670	685	666
VA Tech	1421	1395	1412	1390
Wienerberger	2340	2320	2325	2315

ATX index: 1094.98
Previous: 1089.89

Wellington

	High	Low	Close	Prev.
Air N Zeald B	3.47	3.46	3.47	3.47
Brierley Invt	1.28	1.27	1.28	1.27
Carter Holt ord	3.12	3.08	3.12	3.10
Fernz	4.35	4.33	4.35	4.30
Fisher Paykel	4.80	4.73	4.75	4.80
Fletcher Chall	3.32	3.28	3.32	3.30
Fletcher For.	2.10	2.09	2.09	2.10
Goodman Fder	1.54	1.50	1.54	1.52
Indep News	4.95	4.95	4.95	4.93
Lion Nathan	3.53	3.52	3.52	3.53
Nat Gas note	2.00	2.00	2.00	1.99
NZ Refining	24.00	24.00	24.00	24.00
Telecom NZ	6.51	6.46	6.49	6.49
Trust Bk NZ	2.02	2.01	2.02	2.00
Wilson Horton	9.00	8.95	8.97	8.95

NZSE-40 index: 2113.94
Previous: 2109.37

Zurich

	High	Low	Close	Prev.
Adia B	235	226	235	223
Alusuisse R	978	969	971	964
Ares-Serono B	930	925	930	921
Baer Hdg B	1255	1245	1245	1250
Baloise Hdg R	2370	2350	2370	2365
BBC B	1400	1393	1398	1393
Bk Vision	1525	1519	1520	1515
Bobst B	1900	1835	1880	1900
Ciba Geigy R	1029	1021	1024	1019
CS Holdings R	115.25	114.25	114.50	114.25
Elektrowatt B	434	429	429	432
Fischer B	1565	1540	1545	1550
Hilti PC	890	886	889	890
Holderbank B	863	850	852	855
Landis Gyr R	950	945	950	950
Merkur Hdg R	262	257	257	255
Nestle R	1290	1271	1286	1274
Oerlikon R	108	104	106	107
Pargesa Hld B	1460	1450	1450	1450
PharmVisn B	6090	6040	6060	6060
Pirelli B	144	142	142	143
Roche Hdg PC	8945	8875	8915	8895
Sandoz R	1058	1050	1054	1048
SBC B	437	432	432	432
Schindler B	1305	1290	1300	1292
SGS B	2490	2425	2425	2460
SMH B	735	726	730	730
Sulzer R	795	782	787	787
Swiss Reins R	1235	1210	1211	1216
Swissair R	1025	1010	1025	1003
UBS B	1286	1259	1267	1271
Winterthur R	765	758	765	764
Zurich Assur R	323	318	319	319

SPI index: 2125.16
Previous: 2130.86

EUROPE

Gehe Tops UniChem In Offer for Lloyds

Compiled by Our Staff From Dispatches

LONDON — The German drug wholesaler Gehe AG on Wednesday offered £584.3 million ($900 million) for Lloyds Chemists PLC, topping a bid from UniChem PLC.

Lloyds Chemists, which had recommended UniChem's January offer, told shareholders to take no action on the bids after the Gehe announcement. The company said it was considering its response.

A takeover would give Gehe, already the leading European pharmaceutical wholesaler, a huge presence in Britain. Last year, Gehe acquired AAH PLC, a major British drug wholesaler and owner of 247 pharmacies. It also acquired the leading French pharmaceutical wholesaler, Commercial Pharmaceutique SA, known as OCP, in 1993. Lloyds Chemists has a 924-store chain.

Gehe has said it wants to merge AAH and Lloyds Chemists to reduce warehouse and administrative costs. Lloyds Chemists, UniChem and AAH are the three largest wholesalers of pharmaceutical products in Britain.

Analysts said Gehe's move would probably prompt a bidding war. "This is a unique opportunity and both companies want it," said Ray Bowden, an analyst with the brokerage Robert Fleming & Co. "The motive is there for both companies to enter more bids."

UniChem said it would not rule out a counterbid for Lloyds. "We are reviewing it, and will come out with a statement later," said Gerald Gradwell, a company spokesman, declining to be more specific.

The Jan. 18 UniChem cash-and-share offer valued each Lloyds common share at 396 pence and each preference share at 255.5 pence. UniChem's total offer valued Lloyds Chemists at £514.2 million the day of the bid.

The Gehe offer valued each Lloyds Chemists common share at 450 pence, totaling £557.5 million. Each preference share was valued at 290 pence for an additional £26.8 million.

Lloyds shares, which for weeks have been trading at a premium to the UniChem offer price, surged 19 pence to close at 463 pence, indicating that investors viewed a bidding war for Lloyds as probable. UniChem shares gained 1.5 pence to close at 246.5 pence.

In Frankfurt, Gehe shares gained 4 DM to close at 754 DM ($513.62).

Lloyds and UniChem also have major drug-wholesaling divisions, which distribute products for major pharmaceutical companies to hospitals and pharmacies. Under British takeover rules, Feb. 14 is the first closing date of the offer by UniChem. *(AP, Bloomberg)*

■ Schering's Profit Fell in '95

The German pharmaceuticals company Schering AG, grappling with the negative effects of the strong Deutsche mark, said Wednesday that its 1995 net profit fell 13 percent, Reuters reported from Frankfurt.

Schering said its group net profit was 249 million DM ($169.6 million), compared with 285 million DM in 1994. Sales totaled 4.65 billion DM, down from 4.69 billion DM a year ago.

Is Murdoch Moving Into German TV?

Reports Say He Has a Deal With CLT

Compiled by Our Staff From Dispatches

LUXEMBOURG — Compagnie Luxembourgeoise de Télédiffusion SA and the chairman of News Corp., Rupert Murdoch, have established a preliminary agreement to create a joint venture for the German digital-television market, French newspapers reported Wednesday.

The venture, reported in Le Figaro and Le Monde, would involve a group of thematic channels 60 percent owned by CLT and 40 percent by Mr. Murdoch. It would begin operations as early as September, and could eventually move into the French market.

Traders said shares in the French pay-TV company Canal Plus SA fell sharply on the news because Canal Plus had reportedly been in talks with CLT and the German media company Bertelsmann AG on a similar venture. The reports of the deal with Mr. Murdoch raised fears that Canal Plus would be shut out of the German market.

Canal Plus shares fell 47 francs, to 953 francs ($188.64).

CLT has reportedly agreed to stay out of the French digital TV market amid pressure from Havas SA, which has major stakes in both Canal Plus and CLT. The fact that Havas has stakes in both companies could cause problems if the venture between Mr. Murdoch and CLT were to move into France. Havas will want to avoid a battle between CLT and Canal Plus over French viewers and advertising revenue.

"An agreement in principle on the marketing and distribution of digital channels with the Murdoch group has been achieved, but it was not finalized at the board meeting of CLT on Monday," a source close to CLT said Wednesday.

The CLT source said "no timetable or deadline for this alliance" had yet been fixed because "practical problems" still need to be resolved.

Le Monde reported that Mr. Murdoch was scheduled to come to Luxembourg soon to finalize the details of the venture.

At the end of last year, speculation mounted that CLT was about to be sold. Reports that Bertelsmann was teaming up with Havas and Canal Plus to buy CLT were denied by the Luxembourg-based company.

Reports were also circulating that CLT was talking to Walt Disney Co. and Mr. Murdoch's News Corp.

CLT's biggest attraction is its German television operation, which contributes 70 percent of its annual revenue. Among its holdings, the most valuable is its stake in RTL, the German private TV network in which Bertelsmann holds a 37 percent stake. In 1994, its second year of operation, RTL claimed one-third of Germany's total TV advertising revenues. *(AFX, Bloomberg)*

SKF Warns Of Falling Demand

Compiled by Our Staff From Dispatches

STOCKHOLM — SKF AB, the world's largest manufacturer of roller bearings, posted an 83 percent increase in 1995 profit, its best annual result ever, but the company warned that sluggish economic growth was hurting demand.

SKF said there was "considerable uncertainty over the development" of the German economy, adding that "signals from the U.S. are unclear and there is considerable insecurity among the world's car manufacturers when it comes to sales forecasts."

SKF posted a net profit of 3.33 billion kronor ($475 million), up from 1.82 billion kronor in 1994.

Some analysts were expecting a profit of as much as 3.51 billion kronor. That, combined with the company's warning about falling demand, drove SKF shares down 4 kronor, to 132.

SKF, which is part of Sweden's Wallenberg industrial empire, said sales in 1995 rose 10 percent, to 36.70 billion kronor.

A warning from SKF that demand for its products is falling could mean trouble for the economy in Europe. Roller bearings go into products ranging from automobiles to hair dryers. When demand for such items declines, SKF's customers cut their bearing orders.

"The strong demand the company saw in 1994 continued into the first quarter of 1995, but then leveled out and weakened towards the end of the year," SKF said.

"The fourth quarter was weaker than we expected," said Lars Malmer, a vice president at SKF.

He said SKF could not guarantee it would meet its goal of weathering an entire economic downturn without turning in a loss. *(Reuters, Bloomberg)*

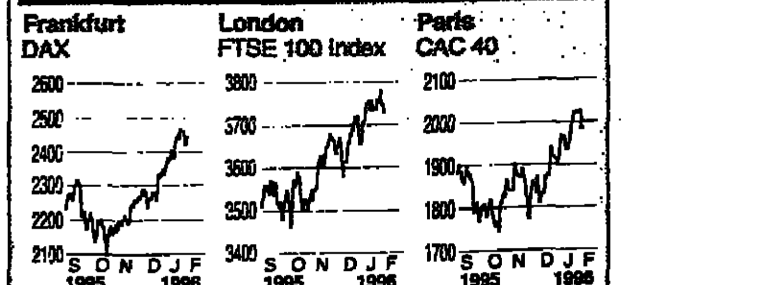
■ Trygg-Hansa Reverses Loss

The Swedish insurance company Trygg-Hansa AB said it made a 1995 operating profit of 2.75 billion kronor, reversing a 1994 loss of 3.66 billion kronor, Bloomberg Business News reported from Stockholm.

Earnings were lifted by lower interest rates and higher share prices that raised the value of the company's stock and bond portfolios.

Premium income fell to 6.6 billion kronor from 7.17 billion kronor because of the company's move out of the reinsurance business. The figures are provisional.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	504.81	502.73	+0.41
Brussels	Stock Exchange	8,983.50	8,968.91	+0.16
Frankfurt	DAX	2,446.16	2,428.28	+0.74
Copenhagen	Stock Market	388.14	386.18	+0.50
Helsinki	HEX General	1,823.16	1,823.48	-0.02
Oslo	OBX	419.58	417.19	+0.57
London	FTSE 100	3,726.10	3,747.50	-0.57
Madrid	Stock Exchange	328.68	328.30	+0.12
Milan	MIBTEL	9,989.00	9,993.00	+0.06
Paris	CAC 40	1,983.29	1,988.47	-0.26
Stockholm	SX 16	1,941.39	1,930.03	+0.59
Vienna	ATX	1,094.98	1,089.09	+0.54
Zurich	SPI	2,135.16	2,130.88	+0.20

Source: Telekurs — International Herald Tribune

Very briefly:

- **BAA PLC's** pretax profit, excluding one-time items, rose 11 percent in the nine months to Dec. 31, to £361 million ($556 million), as growth in passenger traffic lifted the British airport operator's retail sales.
- **Renault Véhicules Industriels**, a division of **Renault SA**, sold 75,770 trucks last year, up 19.5 percent from 1994.
- **DAF Trucks NV** sold 21,597 industrial vehicles and trucks in 1995, up 2 percent from the previous year.
- **British Telecommunications PLC, RWE AG** and **VIAG AG** will spend up to 4 billion Deutsche marks ($2.72 billion) on their German alliance aimed at competing with **Deutsche Telekom** for business and residential phone customers.
- **IBM Deutschland Informationssysteme GmbH**, the German unit of **International Business Machines Corp.**, will pay a dividend of 500 million Deutsche marks to the parent company in the 1995 financial year after a reorganization that reduced the work force by 14 percent.
- **Western Germany's** manufacturing utilization fell to 84.0 percent in December from 84.7 percent in September, according to figures compiled by the economic institute Ifo.
- Nearly 4,000 workers at a **Daewoo Corp.** factory in **Romania** went on strike after talks with management failed to resolve a pay dispute.
- **Hungary's** gross domestic product fell almost 20 percent between 1989 and 1993, lifting unemployment and exacerbating income inequality, a World Bank study found.
- **Inkombank** will issue $100 million worth of shares to the public this year. The bank, one of **Russia's** largest, reorganized after last summer's liquidity crisis and recorded a pretax profit of 740.6 billion rubles ($156.3 million) in 1995, up from 290.3 billion rubles in 1994.
- **Zimbabwe** hopes to double gold production by 2000 as new mines come on stream and older projects expand and upgrade, the country's mining minister, Eddison Zvobgo, said.

AP, AFX, Bloomberg, Knight-Ridder, Reuters

Air France Planning Talks With Pilots

Bloomberg Business News

PARIS — Groupe Air France said Wednesday it would begin talks with its pilots' unions on March 4 to define working conditions to take effect in 1997, when the company will combine its Air France and Air France Europe units.

Air France Europe said it would pursue failed negotiations with its own pilots' unions within the framework of those talks. The company has 15 months to reach an agreement with its pilots under French labor law.

Air France Europe is the new name for the state-owned company's former sister carrier, Air Inter. In 1997, it is to take over Air France's European operations and all operations of Air Inter, which handles domestic French flights.

"At this point, we have to come to an agreement at all costs," said Benoit Luciani, a spokesman for Air France Europe. "When 1997 rolls around, we can't have two pilots in the same plan with a different statute."

On Tuesday, the company withdrew an offer it had made to pilots when it announced a reorganization plan last October. The two sides failed to reach an agreement after 15 meetings. The sticking point has been that, as part of the merger, Air France was calling on Air France Europe's pilots to increase their productivity by 15 percent without a matching increase in salaries.

■ Big Loss Foreseen for GAN

The troubled French insurer Groupe des Assurances Nationales SA is likely to report a 1995 net loss in excess of 1 billion French francs ($197.9 million), financial press reports said Wednesday, according to an AFX news dispatch from Paris.

GAN reported a 5.3 billion franc net loss for 1994.

Prudential Restates 1995 Profit Figures

AFX News

LONDON — Prudential Corp. on Wednesday restated pretax profit for the first half of 1995 to £499 million ($769.2 million) from £335 million to comply with a European Union directive on insurance accounting.

Britain's biggest insurer said its pretax profit figures now would include investment gains and therefore would be subject to "significant volatility" because of market movements. Restated results for all of 1995 will be released March 12.

Dividends will not be affected by the change, Prudential said.

AMEX

Wednesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5461.05	5492.49	5452.02	5492.12	+32.51
Trans	1991.51	1992.59	1983.32	1991.51	—0.34
Util	231.47	232.69	230.85	232.32	+1.26
Comp	1764.62	1771.16	1761.32	1771.16	+7.07

Standard & Poors

	High	Low	Close	Chg.
Industrials	761.37	756.41	761.37	+2.91
Transp.	495.27	493.23	495.27	+0.50
Utilities	211.63	207.98	211.63	+3.40
Finance	65.85	65.32	65.85	+0.53
SP 500	649.93	645.59	649.93	+3.60
SP 100	625.05	619.78	625.05	+4.27

NYSE

	High	Low	Last	Chg.
Composite	346.32	344.46	346.32	+1.44
Industrials	434.52	432.07	434.52	+1.44
Transp.	312.48	311.48	312.22	+0.18
Utility	264.35	260.74	264.35	+3.41
Finance	289.47	287.92	289.47	+1.53

Nasdaq

	High	Low	Last	Chg.
Composite	1089.79	1081.56	1084.01	—5.07
Industrials	994.43	987.31	988.55	—4.32
Banks	1031.15	1029.55	1030.70	—0.68
Insurance	1322.98	1317.55	1321.88	+3.13
Finance	1250.04	1247.72	1250.04	—1.42
Transp.	817.57	813.13	815.94	—1.24

AMEX

High	Low	Last	Chg.
562.61	559.77	562.59	+2.63

Dow Jones Bond

	Close	Chg.
20 Bonds	105.76	—0.10
10 Utilities	102.19	—0.21
10 Industrials	109.34	+0.01

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MicronT s	223076	44⅜	40⅝	41	—⅞
WMX Tc	49387	28⅛	27⅝	28⅛	—⅛
Textrol s	41712	55⅜	52⅜	53⅞	—1⅜
LSI Log s	41013	36⅜	34⅜	35⅞	—1
WalMart	40385	22⅜	22⅛	22⅝	+½
IBM	40309	114⅝	111½	112⅝	—1⅞
BarrickG	40154	32⅜	30½	30½	—1⅜
Hanson	40114	15⅛	14⅝	14⅝	—⅜
Motorola	38715	58⅜	56½	57⅜	—1⅜
ContnlHlt	36745	58⅛	55⅜	56⅞	—2½
PepsiC	36406	65	60⅝	64⅜	+3⅜
FordM	33979	30⅛	29⅜	29⅜	
Sprint	32753	43⅞	43	43⅝	+1⅜
FedNM	32189	34⅛	33⅜	34⅛	+⅜
Vishay s	31444	26⅜	25	26⅜	—2⅜

Nasdaq

	Vol.	High	Low	Last	Chg.
Pyxis	183685	22⅞	20⅞	22⅞	+6⅞
ApldMat s	123740	44[illegible]	38[illegible]	39[illegible]	—4[illegible]
Intel s	88024	59[illegible]	57½	58¼	—1⅜
EricT ADD	75682	2⅞	2⅜	2[illegible]	—½
SunMics	71271	49½	46½	47½	—2¼
Novell	63128	14⅝	13⅛	14⅛	+⅛
Tencor s	58010	28⅛	23½	24	—3⅛
US HlthC	56327	45⅜	43⅜	45	+1[illegible]
AmerOn s	53858	49⅜	47⅛	49⅜	+2
Iomega s	49346	14⅞	13⅝	14⅝	+1
Cisco	46634	89⅝	87½	88[illegible]	—[illegible]
LamRsch	45454	52⅛	44⅜	45½	—6½
BayNtwk s	44186	46	43½	45½	+⅜
Microsoft	40957	97[illegible]	95[illegible]	96⅞	+⅜
US OfcP n	38933	26⅛	23½	26⅛	+2½

AMEX

	Vol.	High	Low	Last	Chg.
EchoBay	40480	14⅜	13⅞	13⅞	—⅜
RoyalO g	22717	5⅜	4½	4[illegible]	—[illegible]
XCL Ltd	21409	⅛	⅛	⅛	
ViacB	18135	42⅜	39⅝	41½	+2⅛
GoylCn	17848	11½	10⅝	11⅛	+⅜
BemaGold	17119	4	3⅞	3⅞	—[illegible]
PegGld	12891	17⅞	16⅜	16⅜	—1
Ampex n	11432	3[illegible]	3⅝	3⅞	
InterDig	7632	9[illegible]	9[illegible]	9[illegible]	+[illegible]
ChevSoft	7128	21⅜	19⅞	21	+1⅜

Trading Activity

NYSE

	Close	Prev.
Advanced	1222	1404
Declined	1156	968
Unchanged	741	756
Total issues	3119	3128
New Highs	237	227
New Lows	8	12

Nasdaq

	Close	Prev.
Advanced	1706	1924
Declined	1935	1710
Unchanged	1696	1698
Total issues	5337	5332
New Highs	166	207
New Lows	58	57

AMEX

	Close	Prev.
Advanced	272	312
Declined	292	260
Unchanged	215	207
Total issues	779	779
New Highs	31	35
New Lows	5	4

Market Sales

	Today Close	Prev. cons.
NYSE	455.32	569.61
Amex	29.46	39.36
Nasdaq	561.66	589.49

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Andrew Corp 3 for 2 split.				
Mattel Inc 5 for 4 split.				
Thomas & Betts 2 for 1 split.				
STOCK				
Sth Valley Bacp	—	10%	2-16	2-23
REVERSE STOCK SPLIT				
Ryan Murphy 30 for 1 reverse split.				
INCREASED				
Amwest Insur	Q	.11	3-31	4-15
PartnerRe Hold	Q	.15	2-15	3-1
Peoples Energy	Q	.46	3-22	4-15
Utilicorp Utd	Q	.44	2-22	3-12
SPECIAL				
Ntl Environmentl	—	.03	2-15	3-1
INITIAL				
Family Bncp n	—	.10	2-9	2-23
REGULAR				
Ahmanson, HF,	Q	.22	2-13	3-1
Airborne Freight	Q	.075	2-20	3-5
All Amer Term	M	.09	2-15	2-29
Alliance Secs	Q	.21	2-29	3-29
Ancor Intl	Q	.07	2-21	3-8
Blair Corp	Q	.35	2-21	3-15
CIPSCO Inc	Q	.51	2-16	3-10
Chiquita Brands	Q	.05	2-21	3-7
Circle Income	M	.075	3-22	4-5
Circle Income	M	.075	4-19	5-3
Coachmen Ind	Q	.07	2-198	3-11
Corning Inc	Q	.18	3-4	3-29
Del Labs	Q	.035	2-16	3-22
EnergyNorth Inc	Q	.29	3-1	3-15
Foremost Cp Am	Q	.27	2-15	3-15
Franklin El	Q	.10	2-9	2-23
Hatteras Income	M	.11	2-16	2-29
Golden W Fin	Q	.095	2-15	3-11
Hibb Royal	Q	.15	3-15	3-29
Home Port Bncp	Q	.15	2-15	2-29
Home Prop NY.	Q	.42	2-16	2-27
IE Indust	Q	.525	3-8	4-1
Independent Bkshr	Q	.03	2-15	2-29
Ingersoll Rand	Q	.185	2-20	3-1
Insur Muni Inco	M	.064	2-15	2-29
Inv Grd Muni Inco	M	.075	2-15	2-29
Loewen Grp	S	.05	2-22	3-7
Managed Hi Yld	M	.1050	2-15	2-29
Market Facts	Q	.10	2-20	2-27
New Am Hi Income	M	.04	2-15	2-29
North Am Mtg	Q	.06	2-20	3-4
Paragon Group	Q	.465	2-16	2-27
Plum Creek Timb	Q	.49	2-15	3-1
Stewart Gas	Q	.205	2-15	3-1
2002 Target	M	.0718	2-15	2-29
Thomas Indus	Q	.10	3-1	4-1
VanKam Inco Tr	M	.053	2-16	2-29

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Feb. 7, 1996

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 96	3.65	3.60¼	3.61	—0.02½	164,967
May 96	3.69	3.64	3.65	—0.02¼	139,465
Jul 96	3.65½	3.61	3.61¾	—0.02¼	93,016
Sep 96	3.15¼	3.12	3.13½	+0.00¼	28,769
Dec 96	3.02¾	2.99½	3.01¼	+0.00¾	63,029
Est. sales N.A. Tue's. sales 59,930					
Tue's open int 495,772 off 274					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 96	229.50	226.80	227.70	—2.90	36,869
May 96	233.00	230.20	231.30	—2.50	22,397
Jul 96	235.00	232.40	233.20	—2.20	18,751
Aug 96	234.20	232.00	232.80	—3.00	3,285
Sep 96	231.30	229.00	229.30	—2.20	2,551
Oct 96	226.00	224.00	224.50	—1.60	1,611
Est. sales N.A. Tue's. sales 17,054					
Tue's open int 91,754					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Mar 96	24.35	23.91	24.13	+0.01	36,553
May 96	24.70	24.27	24.49	+0.03	20,157
Jul 96	25.05	24.64	24.85	+0.01	15,732
Aug 96	25.28	24.82	25.01	+0.03	4,066
Sep 96	25.35	25.01	25.15		2,077
Oct 96	25.48	25.23	25.33	+0.06	1,850
Est. sales N.A. Tue's. sales 8,633					
Tue's open int 86,947 up 392					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 96	7.28¾	7.18	7.23½	—0.05¼	71,324
May 96	7.37½	7.28	7.32	—0.06	40,498
Jul 96	7.44	7.35	7.39	—0.04¾	36,062
Aug 96	7.43	7.35	7.38	—0.05¼	3,476
Sep 96	7.26	7.21	7.21¾	—0.02¼	2,911
Est. sales N.A. Tue's. sales 49,348					
Tue's open int 198,630 up 411					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 96	5.22	5.12	5.13½	—0.09	39,256
May 96	4.99	4.88½	4.89½	—0.07¼	16,402
Jul 96	4.62	4.51	4.52¼	—0.04¾	37,403
Sep 96	4.60½	4.53	4.54	—0.02	7,365
Est. sales N.A. Tue's. sales 25,941					
Tue's open int 105,102 up 425					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 96	63.95	63.50	63.55	—0.30	11,321
Apr 96	64.27	63.65	63.67	—0.50	33,971
Jun 96	62.15	61.80	61.87	—0.28	16,204
Aug 96	61.50	61.25	61.37		7,866
Oct 96	62.52	62.25	62.40		7,775
Dec 96	61.97	61.75	61.85	+0.03	4,024
Est. sales 13,406 Tue's. sales 11,880					
Tue's open int 82,824 off 172					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 96	57.70	57.25	57.50	—0.15	7,098
Apr 96	57.65	57.30	57.55	—0.12	3,274
May 96	57.80	57.45	57.55	—0.17	4,028
Aug 96	58.35	58.00	58.27	—0.05	4,095
Sep 96	58.25	58.02	58.25	—0.10	653
Oct 96	58.40	58.15	58.30	—0.10	886
Est. sales 1,632 Tue's. sales 2,569					
Tue's open int 20,468 off 91					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Feb 96	47.97	47.05	47.80	+0.53	3,316
Apr 96	47.37	46.30	47.22	+0.85	14,167
Jun 96	52.47	51.60	52.48	+0.63	9,001
Jul 96	51.22	50.50	51.08	+0.40	2,751
Aug 96	49.60	49.18	49.32	+0.02	3,920
Oct 96	45.70	45.30	45.37	—0.05	1,651
Est. sales 12,299 Tue's. sales 9,933					
Tue's open int 36,684 up 65					
PORK BELLIES (CMER) 40,000 lbs. - cents per lb.					
Feb 96	57.37	55.90	57.37	+1.67	884
Mar 96	57.77	56.20	57.52	+1.75	2,844
May 96	58.25	56.80	57.77	+1.52	1,709
Jul 96	57.75	56.25	57.32	+1.80	1,176
Aug 96	54.80	54.20	54.62	+1.62	236
Est. sales 2,385 Tue's. sales 2,117					
Tue's open int 6,849 off 66					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 96	1297	1263	1267	—30	22,051
May 96	1319	1288	1291	—21	31,082
Jul 96	1338	1312	1314	—18	10,958
Sep 96	1358	1331	1331	—20	10,454
Dec 96	1385	1366	1362	—18	9,537
Est. sales 16,665 Tue's. sales 14,563					
Tue's open int 93,921 off 392					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 96	119.95	116.60	118.60	—0.80	12,536
May 96	117.75	114.40	116.55	—0.45	10,153
Jul 96	116.00	113.15	115.10	+0.05	3,166
Sep 96	114.50	112.10	114.40	—0.05	1,906
Est. sales 8,772 Tue's. sales 11,329					
Tue's open int					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 96	12.00	11.95	12.02	+0.02	59,875
May 96	11.34	11.23	11.32	+0.10	35,045
Jul 96	10.51	10.41	10.48	+0.07	25,695
Oct 96	10.26	10.17	10.25	+0.10	20,715
Est. sales 19,581 Tue's. sales 23,909					
Tue's open int 160,023 up 2110					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 96	120.80	118.00	119.95	+1.50	11,026
May 96	122.70	120.20	121.70	+1.15	6,012
Jul 96	123.75	121.50	123.50	+1.00	1,723
Sep 96	125.05	124.25	125.05	+1.55	1,447
Est. sales N.A. Tue's. sales 5,317					
Tue's open int 22,534 off 954					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 96	416.00	407.50	408.90	—3.10	852
Mar 96			409.70	—3.20	8
Apr 96	418.20	409.50	411.40	—3.20	132,827
Jun 96	420.40	412.00	413.90	—3.30	37,943
Aug 96	422.00	412.50	415.80	—3.30	11,219
Oct 96	421.00	419.00	417.70	—3.30	4,309
Dec 96	426.30	418.30	419.50	—3.40	13,127
Feb 97	428.00	426.80	421.30	—3.40	4,389
Est. sales N.A. Tue's. sales 52,251					
Tue's open int 235,728 up 2283					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 96	119.50	118.00	118.60	+1.50	2,177
Mar 96	118.00	115.85	118.10	+1.75	21,244
Apr 96			116.85	+1.70	
May 96	116.00	114.20	115.70	+1.65	8,781
Jul 96	113.50	111.50	113.30	+1.55	3,048
Aug 96			112.15	+1.40	448
Sep 96	111.20	110.40	111.15	+1.30	2,671
Oct 96			110.40	+1.20	
Nov 96			109.65	+1.15	275
Est. sales N.A. Tue's. sales 5,500					
Tue's open int					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 96	580.0	577.0	569.4	—6.5	1
Mar 96	584.5	567.0	571.0	—6.7	64,029
Apr 96			573.4	—6.7	
May 96	590.0	572.0	576.3	—6.6	18,022
Jul 96	594.5	578.0	580.6	—6.6	8,698
Sep 96	596.5	581.5	585.0	—6.6	10,010
Dec 96	605.5	588.5	591.5	—6.5	5,986
Jan 97			594.3	—6.5	
Est. sales N.A. Tue's. sales 18,213					
Tue's open int 111,081 off 124					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 96	435.00	425.00	427.20	—3.80	17,803
Jul 96	436.50	427.50	429.70	—3.60	3,404
Oct 96	439.00	432.50	432.20	—3.30	1,329
Jan 97	442.00	442.00	434.40	—3.10	
Est. sales N.A. Tue's. sales 2,906					
Tue's open int 22,592 off 255					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1599.00	1600.00	1584.00	1585.00
Forward	1623.00	1624.00	1609.00	1609½
Copper Cathodes (High Grade)				
Spot	2585.00	2590.00	2665½	2670½
Forward	2545.00	2546.00	2525.00	2526.00
Lead				
Spot	768½	769½	759.00	761.00
Forward	768.00	769.00	760.00	761.00
Nickel				
Spot	8365.00	8375.00	8325.00	8335.00
Forward	8460.00	8465.00	8425.00	8430.00
Tin				
Spot	6220.00	6230.00	6210.00	6220.00
Forward	6265.00	6275.00	6250.00	6255.00
Zinc (Special High Grade)				
Spot	1037.00	1038.00	1041½	1042½
Forward	1058.00	1059.00	1063.00	1064.00

	High	Low	Close	Chge	Opint
Financial					
UST. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 96	95.34	95.31	95.32	+0.02	10,729
Jun 96	95.61	95.59	95.61	+0.03	7,041
Sep 96	95.74	95.73	95.73	+0.02	794
Dec 96			95.73	+0.01	5
Est. sales N.A. Tue's. sales 169					
Tue's open int 18,569 off 37					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 96	110-275	110-215	110-24	+ 005	147,334
Jun 96	110-185	110-145	110-165	+ 01	21,712
Sep 96			110-145	+ 01	4,036
Est. sales 33,500 Tue's. sales 29,644					
Tue's open int 173,082 up 495					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 96	114-22	114-12	114-16	+ 01	258,662
Jun 96	114-31	113-26	113-28	+ 01	35,216
Sep 96	114-04	113-31	113-31	+ 01	6,757
Est. sales 61,616 Tue's. sales 57,916					
Tue's open int 300,615 up 3071					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 96	120-04	119-09	119-21	— 03	315,714
Jun 96	119-19	118-26	119-05	— 03	44,932
Sep 96	119-00	118-09	118-19	— 03	5,963
Dec 96			118-00	— 03	1,558
Est. sales 345,000 Tue's. sales 251,082					
Tue's open int 369,409 off 10412					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar96	109-16	109-04	109-09	+ 0-12	139,047
Jun96	108-23	108-20	108-17	+ 0-11	1,475
Est. sales: 67,378. Prev. sales: 65,856					
Prev. open int.: 140,522 off 2,575					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar96	99.27	98.85	99.11	+ 0.44	236,726
Jun96	98.40	98.20	98.26	+ 0.42	15,753
Sep96	N.T.	N.T.	97.43	+ 0.42	
Est. sales: 285,700 Prev. sales: 241,420					
Prev. open int.: 252,485 up 273					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 96	122.08	121.54	121.90	+ 0.24	
Jun 96	122.38	121.94	122.26	+ 0.22	
Sep 96	121.12	120.78	121.04	+ 0.20	
Dec 97	N.T.	N.T.	120.04	+ 0.24	
Est. volume:186,646. Open int.:160,093					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar96	112.32	111.77	112.02	+ 0.30	62,490
Jun96	111.70	111.40	111.54	+ 0.30	4,598
Est. sales: 43,644. Prev. sales: 50,082					
Prev. open int.: 67,088 up 1,154					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 96	94.740	94.720	94.730		20,197
Mar 96	94.820	94.800	94.810		406,502
Apr 96	94.940	94.930	94.940	+10	4,754
Jun 96	95.180	95.150	95.170	+10	437,281
Sep 96	95.340	95.300	95.320	+10	316,122
Dec 96	95.300	95.260	95.280	+20	292,842
Mar 97	95.240	95.210	95.220	+20	186,075
Jun 97	95.090	95.050	95.070	+20	176,144
Est. sales N.A. Tue's. sales 227,031					
Tue's open int 2,643,453 off 17820					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 96	1.5434	1.5326	1.5366	—40	43,794
Jun 96	1.5340	1.5280	1.5334	—40	332
Sep 96			1.5298	—40	5
Dec 96			1.5256	—40	30
Est. sales N.A. Tue's. sales 12,122					
Tue's open int 44,161 off 3584					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 96	.7329	.7281	.7319	+41	37,713
Jun 96	.7328	.7289	.7319	+42	2,576
Sep 96	.7320	.7285	.7315	+43	668
Dec 96	.7315	.7288	.7308	+44	1,138
Est. sales N.A. Tue's. sales 6,671					
Tue's open int 42,313 up 488					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 96	.6826	.6773	.6789	—23	72,677
Jun 96	.6834	.6804	.6821	—23	3,801
Sep 96			.6849	—23	1,585
Dec 96			.6873	—23	90
Est. sales N.A. Tue's. sales 26,800					
Tue's open int 78,153 off 7012					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 96	.009607	.009464	.009493	—64	70,225
Jun 96	.009666	.009578	.009602	—66	5,231
Sep 96	.009701	.009695	.009701	—68	738
Est. sales N.A. Tue's. sales 17,054					
Tue's open int 76,388 off 2689					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 96	.8393	.8300	.8330	—43	42,305
Jun 96	.8430	.8367	.8397	—41	1,547
Sep 96			.8454	—40	181
Est. sales N.A. Tue's. sales 13,538					
Tue's open int 44,430 off 83					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar96	93.95	93.92	93.93	+ 0.01	84,129
Jun96	94.20	94.17	94.19	+ 0.04	82,253
Sep96	94.20	94.16	94.18	+ 0.05	64,659
Dec96	94.00	93.94	93.98	+ 0.07	46,816
Mar97	93.69	93.64	93.68	+ 0.08	32,895
Jun97	93.37	93.34	93.37	+ 0.08	31,416
Sep97	93.08	93.04	93.07	+ 0.08	20,789
Dec97	92.82	92.79	92.80	+ 0.06	13,683
Mar98	92.60	92.57	92.59	+ 0.06	6,908
Jun98	92.44	92.41	92.43	+ 0.06	4,885
Sep98	92.29	92.27	92.29	+ 0.06	3,868
Dec98	92.18	92.16	92.16	+ 0.04	2,881
Est. sales: 79,951. Prev. sales: 60,993					
Prev. open int.: 395,182 up 4,238					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar96	96.82	96.79	96.81	+ 0.02	74,357
Jun96	96.88	96.85	96.87	+ 0.04	175,498
Sep96	96.74	96.69	96.73	+ 0.07	168,384
Dec96	96.49	96.40	96.46	+ 0.09	142,784
Mar97	96.20	96.10	96.18	+ 0.11	122,748
Jun97	95.84	95.74	95.83	+ 0.12	102,621
Sep97	95.49	95.41	95.48	+ 0.11	69,224
Dec97	95.16	95.06	95.14	+ 0.12	47,851
Mar98	94.88	94.78	94.86	+ 0.11	28,919
Jun98	94.62	94.50	94.59	+ 0.11	23,576
Sep98	94.34	94.24	94.32	+ 0.12	15,283
Dec98	94.05	93.98	94.05	+ 0.12	10,227
Est. sales: 192,436. Prev. sales: 219,452					
Prev. open int.: 982,372 off 98,728					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar96	90.62	90.52	90.57	+ 0.01	43,708
Jun96	91.25	91.18	91.21	+ 0.02	31,031
Sep96	91.49	91.42	91.45	+ 0.02	17,901
Dec96	91.52	91.44	91.48	+ 0.01	10,780
Mar97	91.49	91.42	91.46	+ 0.03	5,453
Jun97	91.48	91.40	91.44	+ 0.02	
Est. sales: 9,835 Prev. sales: 14,322					
Prev. open int.: 111,184 up 773					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 96	95.50	95.42	95.46	+ 0.03	
Jun 96	95.70	95.62	95.66	+ 0.03	
Sep 96	95.68	95.61	95.65	+ 0.02	
Dec 96	95.48	95.40	95.46	+ 0.03	
Mar 97	95.26	95.21	95.23	+ 0.02	
Jun 97	95.05	94.99	95.01	+ 0.02	
Sep 97	94.86	94.82	94.83	+ 0.03	
Dec 97	94.66	94.60	94.63	+ 0.02	
Est. volume:26,491. Open int.:200,662					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 96	85.30	83.75	84.40	+0.33	17,623
May 96	85.90	84.50	85.26	+0.48	15,857
Jul 96	86.20	84.81	85.34	+0.26	10,553
Oct 96	80.85	79.78	79.70	—0.35	1,913
Dec 96	77.90	77.50	77.70	+0.10	12,549
Mar 97	78.70	78.60	78.45	+0.05	
Est. sales N.A. Tue's. sales 15,542					
Tue's open int 61,459 off 644					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Mar 96	52.60	51.60	52.46	+0.82	32,579
Apr 96	49.50	48.85	49.30	+0.34	16,247
May 96	47.50	47.10	47.45	+0.09	11,481
Jun 96	46.75	46.45	46.70	—0.01	10,258
Jul 96	46.70	46.65	46.75	—0.01	5,946
Aug 96	47.25	47.25	47.30	—0.01	5,162
Sep 96	48.00	47.95	48.00	—0.01	2,464
Oct 96	48.75	48.65	48.70	—0.01	2,279
Nov 96	49.40	49.40	49.40	—0.01	2,196
Dec 96	50.00	50.00	50.10	—0.01	5,480
Est. sales 25,308 Tue's. sales 34,568					
Tue's open int 97,418 off 1756					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 96	17.80	17.62	17.72	+0.02	70,254
Apr 96	17.40	17.23	17.28	—0.02	61,309
May 96	17.20	17.09	17.12	—0.03	43,816
Jun 96	17.10	17.00	17.05		36,632
Jul 96	17.01	16.98	17.00	+0.01	28,563
Aug 96	16.98	16.92	16.93	—0.02	15,163
Sep 96	16.95	16.86	16.93		14,704
Oct 96	16.92	16.87	16.87	—0.05	11,554
Nov 96	16.91	16.85	16.85	—0.06	12,889
Dec 96	16.93	16.85	16.90		24,850
Jan 97	16.94	16.92	16.94	+0.04	11,668
Feb 97	16.90	16.90	16.90		6,868
Mar 97	16.93	16.93	16.93	+0.04	4,312
Est. sales 57,531 Tue's. sales 74,294					
Tue's open int 398,808 off 1343					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 96	2.635	2.465	2.490	+42	29,847
Apr 96	2.186	2.090	2.125	-39	18,009
May 96	2.060	2.000	2.005	+4	17,134
Jun 96	1.980	1.930	1.950	—10	12,045
Jul 96	1.930	1.905	1.910	—20	10,022
Aug 96	1.900	1.890	1.895	—15	9,361
Sep 96	1.880	1.870	1.870	—27	7,748
Oct 96	1.895	1.885	1.895	—19	6,964
Nov 96	1.960	1.953	1.960	—19	4,487
Dec 96	2.059	2.040	2.055	—9	8,354
Jan 97	2.070	2.050	2.070	—4	3,357
Est. sales 35,457 Tue's. sales 30,658					
Tue's open int 148,794 up 1724					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Mar 96	52.80	51.90	52.23	—0.15	23,671
Apr 96	54.75	54.10	54.56	+0.14	17,220
May 96	54.50	54.00	54.40	+0.20	9,831
Jun 96	54.10	53.70	54.05	+0.16	5,160
Jul 96	53.50	53.25	53.47	+0.16	3,796
Aug 96	52.70	52.70	52.80	+0.09	2,685
Est. sales 13,649 Tue's. sales 21,212					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 96	172.00	167.25	171.75	+6.00	17,159
Mar 96	158.00	156.00	157.75	+3.00	18,996
Apr 96	150.50	149.75	150.25	+1.75	14,991
May 96	147.25	146.75	147.00	+1.00	5,020
Jun 96	146.50	146.00	146.00	+1.00	6,114
July 96	146.50	146.00	146.00	+1.00	4,796
Aug 96	N.T.	N.T.	146.75	+0.50	2,018
Sep 96	148.50	147.50	148.25	+1.00	1,061
Oct 96	150.00	150.00	150.00	+1.00	683
Est. sales:19,417. Open int.:74,379 off 1,665					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 96	16.72	16.57	16.59	- 0.02	41,239
Apr 96	16.21	16.08	16.08	+ 0.01	65,175
May 96	15.94	15.83	15.83	+ 0.04	20,324
June 96	15.86	15.78	15.75	- 0.05	18,551
July 96	15.78	15.74	15.68	- 0.02	8,355
Aug 96	15.74	15.72	15.64	- 0.01	5,099
Sep 96	15.74	15.68	15.61	- 0.01	9,551
Oct 96	15.64	15.62	15.59	- 0.01	2,356
Nov 96	N.T.	N.T.	15.58	+ 0.01	2,004
Dec 96	15.67	15.60	15.57	+ 0.01	4,425
Jan 97	N.T.	N.T.	15.56	+ 0.01	8,536
Feb 97	N.T.	N.T.	15.55	+ 0.01	2,702
Est. sales:59,452. Open int.:188,317 up 1,572					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 96	650.80	647.35	649.50	+1.30	190,336
Jun 96	656.40	653.20	655.15	+1.25	10,260
Sep 96	660.90	657.90	659.85	+1.45	3,138
Dec 96	664.90	662.00	662.40	—0.10	900
Est. sales N.A. Tue's. sales 90,786					
Tue's open int 204,624 up 1922					
FTSE 100 (LIFFE) £25 per index point					
Mar96	3772.0	3772.0	3732.0	— 27.0	65,026
Jun96	3771.0	3771.0	3734.5	— 28.5	1,398
Sep96	N.T	N.T	3732.0	— 29.0	267
Est. sales: 12,421. Prev. sales: 9,627					
Prev. open int.: 66,621 up 1,025					
CAC 40 (MATIF) FF200 per index point					
Feb 96	2002.0	1981.0	1996.0	+ 6.0	
Mar 96	2009.0	1989.5	2003.5	+ 5.5	
Apr 96	2008.0	2004.5	2007.5	+ 07.5	
Jun 96	1992.5	1976.0	1981.0	+ 5.5	
Sep 96	N.T.	N.T.	1991.5	+ 0	
Est. volume:18,957. Open int.:63,362					

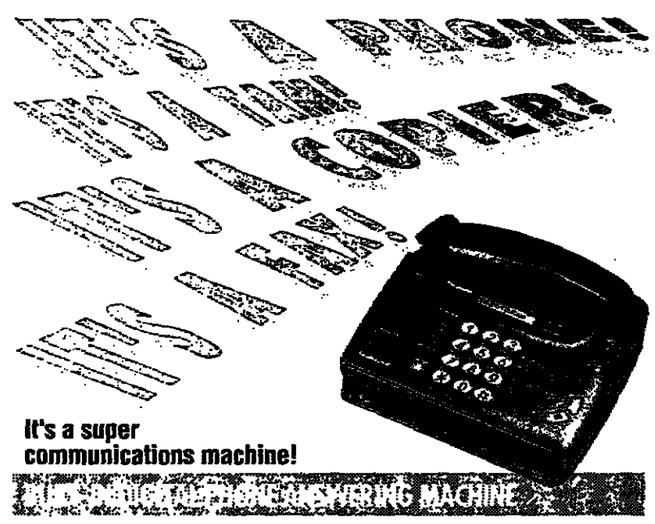
Commodity Indexes

	Close	Previous
Moody's	N.A.	1,468.20
Reuters	2,148.30	2,157.80
D.J. Futures	151.18	151.32
CRB	246.33	246.29

NYSE

Wednesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.



Continued on Page 16

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Tokyo Says Smaller Trade Surplus Is Beginning of Trend

Compiled by Our Staff From Dispatches

TOKYO — Japan's current-account surplus shrank for the second year in a row in 1995, the Finance Ministry said Wednesday, reinforcing its view that the trend toward smaller surpluses is firmly in place.

The ministry said the current-account surplus, the broadest measure of trade in goods and services, was down 14.5 percent from 1994, at $110.44 billion, its lowest level in four years. The decline was in line with economists' forecasts.

The trade surplus, a major component of the current account, shrank 7.6 percent, to $134.82 billion. It was that measure's first decline in five years.

In releasing the figures, the ministry said it expected the surplus would continue to decline despite a fall in the value of the yen from its peak reached in April 1995.

The current account for December alone was down 15.5 percent, at $10.73 billion, and the trade surplus fell 9.5 percent, to $13.44 billion.

Private economists said more declines were likely this year as imports would continue to grow at a much faster pace than exports, particularly with manufacturers shifting more production abroad.

In 1995, exports grew 11.2 percent from the previous year, compared with a 22.8 percent rise in imports.

The current-account balance of payments consists of exports and imports of actual goods as well as payments and receipts for so-called invisible items, such as shipping, banking and tourism.

The deficit in Japan's travel account rose to $33.5 billion, a record high for the fourth consecutive year, reflecting solid growth in the number of Japanese traveling overseas.

(Reuters, AP)

Kodak Seeks Stakes In 3 Chinese Firms

Bloomberg Business News

HONG KONG — Eastman Kodak Co. is negotiating to buy controlling stakes in China's three biggest makers of photographic film, executives at two of the companies said Wednesday.

"They want to come in like Coca-Cola, who produce all over the country, not just in one place," said Ling Gang, a manager in the general manager's office at Xiamen Fuda *Photographic Materials Co.*

"If all goes smoothly, we aim to start joint-venture production at the end of this year," said Zhou Jialu, office manager at Xiamen Fuda.

Mr. Ling said the State Economic and Trade Commission had told Fuda that Kodak wanted to buy an 80 percent stake in that company and majority interests in as many as four other companies. He said he did not know the price Kodak was offering.

Henry Li, managing director of Kodak (Far East) Ltd., said Kodak was involved in "mutually beneficial" discussions with Chinese officials and executives in China's photo industry. He did not elaborate.

According to Mr. Ling, Kodak's targets other than Fuda — which is China's second-biggest producer of film — include Henan Baoding Photographic Film Co., the biggest, and Shantou Era Photo Materials Industry Corp., the third-biggest.

■ APEC Gathering Opens

Officials of the 18 members of the Asia-Pacific Economic Cooperation forum opened a week of talks aimed at bringing the group closer together, Reuters reported from Manila.

Federico Macaranas of the Philippines, the group's chairman this year, called on the 500 delegates "not to lose sight of the bigger picture." He said the goal was to implement a plan of action agreed at APEC's Osaka summit last year aimed at turning the loose grouping into a regional "community."

The session is the first of a series leading to a summit meeting in November on how to implement the Osaka plan beginning next year.

Officials said one of the biggest obstacles was collating basic economic information from member states as diverse as Japan or the United States on one hand and undeveloped nations such as Papua New Guinea on the other.

Asian Bourses Celebrate '96

International Money Rediscovers the Region

By Seth Faison
New York Times Service

SHANGHAI — Asia's stock markets, those darlings of 1993 and the dogs of 1994 and 1995, have come roaring back to life.

Since Jan. 1, stock markets in Southeast Asia are up, up, up. Hong Kong — which is considered a level above an emerging market — rose 13.7 percent in January. Among the emerging markets, Indonesia climbed 13.1 percent and Thailand 11.6 percent.

Is it just the new year's money from fund managers in the United States and Europe, betting that their rallies at home won't last? Or is it something more fundamental? The answer, probably, is a bit of both.

The immediate cause, fund managers and analysts say, is an influx of cash from overseas. Portfolio-wielding investors sated with their gluttonous gains in the United States over the past year started looking elsewhere and trained their sights on market laggards, especially in Southeast Asia.

"It happened on Dec. 31 and was concentrated on big, liquid, blue-chip stocks," said Richard A. Schmidt, a director at Jardine Fleming Investment Management in Hong Kong. The money, sloshing in, tagged almost every Asian market with increased liquidity and daily trading volume. In Hong Kong, for example, daily turnover leaped in January to $794 million of stock from a 1995 average of $432 million.

In Hong Kong, where the Hang Seng Index is heavily weighted with property companies, the stock market is especially sensitive to interest-rate changes and their long-term effects on mortgage rates. Recent indications that American interest rates will continue to fall are being interpreted as a thumbs-up.

But the effects of lower rates, *Mr. Schmidt said, will not be limited to Hong Kong and may offer a more fundamental reason for the surge in Southeast Asian markets.*

Countries throughout Asia are affected by interest rates in the United States, especially in places where the local currencies follow, with varying degrees of closeness, the value of the dollar.

"And guess what? There is, almost in exact order, a correlation between the top-performing markets and how closely their currency is pegged to the dollar," Mr. Schmidt said.

The stock market in Hong Kong, where the currency rises and falls with the dollar, has performed best this year. Indonesia, next closest in dollar linkage, is a close second, followed by the Philippines, Thailand and Singapore.

Even China, where the stock markets open to foreign investors remain tiny, has bounced up this year. Shanghai's B-share market index jumped 7.9 percent in January.

At the low end of the scale, Mr. Schmidt pointed out, the progression is the same: the worst-performing market in Asia, the Bombay Stock Exchange, is the least affected by the dollar. Taiwan's stock market is also down, and South Korea's market is flat.

For a dose of pessimism, Elizabeth Tran, chief investment director of IDS Fund Management in Hong Kong, suggested a look at economic fundamentals in the region.

The high growth rates in Southeast Asia may be hard to sustain, she said, inflation may be difficult to keep under control, especially with world food prices rising, and in any case it may soon be time for the money that has sloshed to Asia to slosh in another direction.

"The consensus expectation, worldwide, is extremely optimistic," Ms. Tran said. "That is always troubling."

Malaysia Shows Signs of a Soft Landing

Bloomberg Business News

KUALA LUMPUR — Malaysia's economy, recently under suspicion among investors for its speedy growth and loose monetary policy, has done something surprising lately, economists say: It has begun to slow down.

"This is a story of a fairly successful soft landing," said Bernhard Eschweiler, an economist for J.P. Morgan. "It's starting to be reality."

On Tuesday, the government said the trade deficit shrank 97 percent in November, to 49.2 million ringgit ($19.4 million) from 1.6 billion ringgit in October, and Prime Minister Mahathir bin Mohamad said the government had directed government agencies and large companies to reduce imports.

The trade report came shortly after a research institute said manufacturers, in a fourth-quarter survey, had reported slower growth. Economists cite slowing industrial output and a decline in foreign investment applications as further proof of a slowdown.

All this comes as no surprise to the government, which estimated in October that economic growth would slow to 8.5 percent this year from 9.6 percent in 1995.

But investors have not been believers.

"Because of the economic worries, Malaysia hasn't benefited as much as the other markets from the foreign liquidity," said Lieven Debruyne at MeesPierson Capital Management (Far East) Ltd. in Hong Kong.

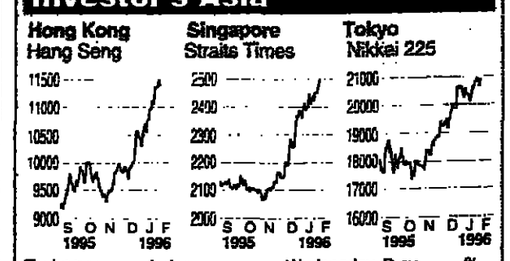
Malaysia's benchmark stock index has risen 9 percent so far this year, but some neighboring exchanges have shown even bigger gains.

Some economists still fear a rapid slowdown, a so-called hard landing that would mean shortages of key goods, declining employment and shrinking profit margins.

"It's like a runaway train coming to a complete stop at a pile of bricks," said Jan Lee, senior economist at W.I. Carr (Far East) Ltd. in Hong Kong.

Mr. Lee points to consumer price inflation, which the government says was 3.4 percent in 1995. He says it was more like 10 percent or 13 percent, as wages rose more than 10 percent and the money supply rose more than 20 percent.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,388.60	11,391.40	-0.02
Singapore	Straits Times	2,481.93	2,483.71	-0.07
Sydney	All Ordinaries	2,273.70	2,269.70	+0.18
Tokyo	Nikkei 225	20,943.48	20,751.15	+0.93
Kuala Lumpur	Composite	1,080.81	1,082.79	-0.26
Bangkok	SET	1,408.73	1,415.04	-0.45
Seoul	Composite Index	883.77	881.21	+0.29
Taipei	Stock Market Index	4,758.83	4,690.22	+1.46
Manila	PSE	2,882.94	2,915.03	-1.10
Jakarta	Composite Index	591.36	592.92	-0.26
Wellington	NZSE-40	2,113.94	2,109.37	+0.22
Bombay	Sensitive Index	3,202.49	3,154.89	+1.51

Source: Telekurs International Herald Tribune

Very briefly:

•**San Miguel Corp.**'s net profit rose 9 percent, to 5.38 billion Philippine pesos ($205.9 million) in 1995, short of analysts' forecasts of about 5.7 billion pesos for the food and drink company. Sales rose 16 percent, to 79.2 billion pesos, also slightly less than expected.

•**Pohang Iron & Steel Co.** expects its profit to fall as much as 17 percent this year, to 693.8 billion won ($892.3 million), after more than doubling to 839.7 billion won in 1995, mainly because of falling export prices and rising raw-material costs.

•**Coca-Cola Amatil Ltd.**'s net profit rose 25 percent last year, slightly more than expected, to 138.6 million Australian dollars ($104.5 million), as sales rose 33 percent, to a record 2.97 billion dollars.

•**PT Indosat's** 1995 earnings jumped 59 percent, to 459.4 billion rupiah ($200.4 million), helped by interest income on proceeds from its initial public offering in October 1994. Operating income was up only 27 percent, while other income more than tripled; sales gained 15 percent.

•**Toyota Motor Corp.** has no plans to buy a stake in **Brilliance China Automotive Holdings Ltd.** unless the Chinese vehicle maker gives up its New York stock listing, Toyota's head of China operations said.

•**Hong Kong**'s fiscal reserves fell 4 percent in 1995, to about 125 billion Hong Kong dollars ($16.17 billion).

•**Taiwan Semiconductor Manufacturing Co.** posted an 87 percent rise in profit last year, to a better-than-expected 15.8 billion Taiwan dollars ($575 million), on strong worldwide demand for computer chips.

•**Rockwell International Corp.** will join a Taiwan investment group, **China Development Corp.**, to build a 20 billion dollar chip plant in Taiwan. *AP, Reuters, Knight-Ridder, AFP*

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WASHINGTON

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THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP

Euro Cup for 32

SOCCER UEFA and Europe's top clubs agreed Wednesday to grant leading nations a second team in the European Cup but ruled out any early move toward a superleague. UEFA proposed expanding the European Cup to 32 from 24 teams with top nations entering a second side in the competition.

The defending European champions and the champions of the 23 best-ranked nations would be entered along with eight more from countries granted a second, non-champion team. The 32 teams would play a knockout round, and the 16 winners would play in the Champions' League. Losers would go into the UEFA Cup. *(Reuters)*

• Patrick Kluivert scored with 20 minutes remaining, giving Ajax Amsterdam a 1-1 tie with Real Zaragoza Wednesday in the first round of the European SuperCup. Javier Aguado had put the Cup Winners Cup winner ahead in the 28th minute off a corner kick. Ajax, which played with several substitutes, was a shadow of the team that won the Champions Cup last year. *(Reuters, AP)*

Cesar Rangel/AP

Ronald de Boer, Ajax, left, and Alberto Belsue fighting for a ball.

• Brian McBride, an All-America forward from Saint Louis University who played one season in the German second division with Vfl Wolfsburg, was picked first overall by the Columbus Crew in the Major League Soccer draft Tuesday. *(AP)*

Umpire Joining Boycott

CRICKET New Zealander Steve Dunne said he might pull out of the two World Cup matches he is due to umpire in Sri Lanka. *(Reuters)*

Jets Trade Selanne

ICE HOCKEY The Winnipeg Jets sent high-scoring Teemu Selanne to the Anaheim Mighty Ducks on Wednesday for two 19-year olds: Oleg Tverdovsky, a defenseman, and Chad Kilger, a center. *(AP)*

Emmitt Wants Gold

FOOTBALL Emmitt Smith, the Dallas Cowboys running back, says he deserves a chance to win an Olympic gold medal like Michael Jordan and is launching a campaign to get football in the Olympics.

"My idea, my dream, my goal is to go out and legitimize this sport and compete at the Olympic Games with my peers in the football arena," Smith said.

To gain a spot in the Olympics, a male sport must be played in 75 countries on four continents. *(AP)*

Back Together Again; Two Stars Who Fell

Gervin and Thompson Still Linked

By George Vecsey
New York Times Service

NEW YORK — Together again. George Gervin and David Thompson, linked by acrobatics, linked by drugs, linked by sobriety, linked by one magnificent day in 1978, are now forever linked by their election to the Basketball Hall of Fame.

They were in the same room Tuesday, quietly amazed that they had lived to tell the tale of the day they both went on scoring sprees.

It was the last day of the 1977-78 season. Both had proved they could jam the sedate NBA ball the same way they had stuffed a gaudy red, white and blue ABA ball.

The scoring title would be decided by scoring average, not total points. Gervin had played all 81 games but Thompson had missed two.

Thompson and the Denver Nuggets went first. That was the big mistake. In an afternoon game, he scored 73 points against Detroit, still the third-highest output in the history of the league. Gervin would then play New Orleans.

But let Gervin tell it:

"For whatever reason, maybe television, they moved our game to the night," he recalled. "I was asleep in my hotel room when a reporter called and said, 'Ice, Thompson scored 73.' I said, 'Well, that's it,' and I hung up and went back to sleep.

"Down in the lobby later, some of the guys on the Spurs said, 'Ice, we're going to help you.' My guys loved me. They kept giving me the ball, and early in the game I couldn't put the ball in the basket, but after a while I got going."

How many points did Gervin need? "Fifty-nine," he said, with practiced delay. "But I made 63 just in case they made a mistake."

The record book says both scored an average of 27.2, but if you keep going to the hundredths, Gervin finished at 27.21 and Thompson finished at 27.15.

They introduced Gervin first Tuesday.

"He beat me again," Thompson said.

They have both beaten something bigger and badder than a scoring challenge. They have both outlived drug habits.

Nobody wants to be remembered that way. It is better to be remembered as a great international player like the late Kresimir Cosic or a driven competitor like Nancy Lieberman-Cline or a smoothie like Gail Goodrich. And the sixth new member of the Hall of Fame, George Yardley, tried to flimflam the young rubes into believing he was just another set-shooter from the stone age. Fact: the old bald eagle was the Thompson or the Gervin of the '50s.

People remember Thompson not only for the swoops but for the free fall. He had six straight seasons when his point total averaged in the 20s and three straight in the teens, and then he was done.

"I hurt my knee when I got pushed down the stairs at Studio 54, and I couldn't play after that," Thompson said.

He also went to a prison work camp for beating his wife, and he went through several rehabilitation programs — "until Jesus Christ took away my obsession to do drugs," he said, in answer to a question.

Thompson said he has been sober eight years, and he gives anti-drug talks for two groups.

Gervin tried that death-defying act, too.

These days he runs the George Gervin Youth Center in San Antonio, a nonprofit organization that trains young people to get diplomas and learn a trade. "The Hall of Fame won't mean anything to me if I'm not sober," Gervin said.

Both wondered if voters would hold their troubled pasts against them.

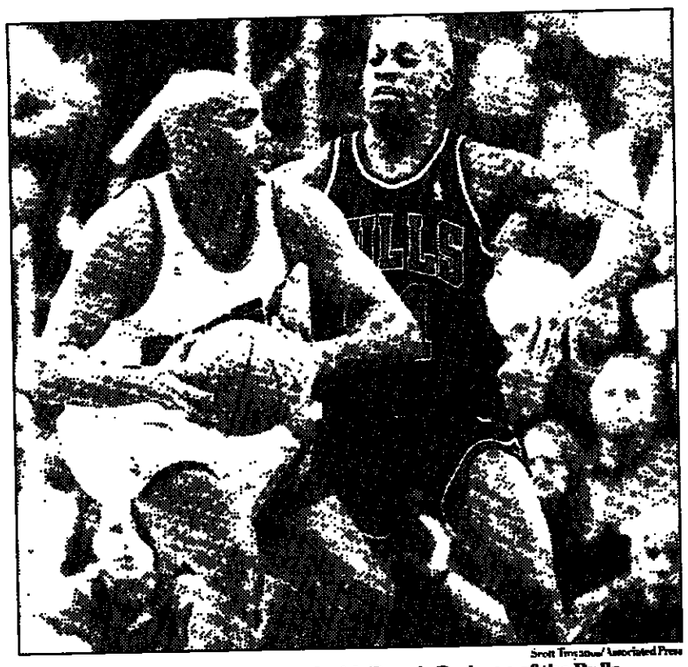
"I was hoping it would not be held against me," Thompson said, "but I've tried to help other people by telling my story."

George Gervin and David Thompson were happy to have enough memory left to recall those good old days.

They strongly recommend that nobody else try it their way.

Desmond Boylan/Reuters

THE NIGHT SHIFT — The valley above the resort of Sierra Nevada, Spain, is illuminated as work continues to prepare the slope and finish area for the skiing world championships, which start Sunday.



Scott Terrazas/Associated Press

Charles Barkley, left, got physical with Dennis Rodman of the Bulls.

Barkley Takes His Revenge on the Bulls

The Associated Press

On Super Bowl Sunday, when the Phoenix Suns lost, 93-82, in Chicago, Charles Barkley decided to make things difficult the next time he saw the Bulls.

The next time was Tuesday night, and Barkley overwhelmed the team that has dominated the NBA this season. He scored 35 points and grabbed 16 rebounds as the Suns handed the Bulls just their fifth loss of the season — but their second in three nights, 106-96.

NBA ROUNDUP

"It looks like he has been looking forward to this game since we beat them in Chicago," said Steve Kerr, a Bulls guard. "He has been saying that we're not that good and that he couldn't wait until this game. He can say whatever he wants; he is Charles Barkley, and he backs it up."

"The Bulls are the best team in the NBA, but they can be beat if you play well," Barkley said. "They're not going to cakewalk through the NBA like everybody thinks. They might win 70 games, but it's going to be tough."

Elliot Perry, who came on for injured point guard Kevin Johnson, broke a 96-96 tie with two free throws and a jumper. Barkley hoisted Perry over his shoulder and carried him to the bench as Chicago called time out.

Then Barkley stole the in-bounds pass for a breakaway dunk and the celebrating began.

"I think they don't like really physical games," Barkley said. "I think the only physical players they've got are Michael (Jordan) and Dennis (Rodman), and I felt like if I was really physical with Dennis, he would get frustrated, and I thought he did."

Jordan should have been frustrated, too. He missed several open shots in the final period and was just nine-for-22 from the field, 10-for-17 from the free throw line for 28 points.

Lakers 99, Nuggets 78 Did Magic Johnson ever really leave? It didn't look that way at Denver. He scored 16 points, dished out 12 assists and had nine rebounds. He played 33 minutes and looked fresh in the fourth quarter, when he had eight points, five assists and two rebounds.

"We have a great guy playing with us now," said Lakers guard Nick Van Exel, "and everybody is responding to it. Our confidence is higher with Magic on the team."

Magic 112, Kings 102 The Magic moved closer to the NBA record for home wins at the start of a season. Anfernee Hardaway scored 24 points and Shaquille O'Neal hit 22 as the Magic improved to 25-0 at Orlando Arena, extending their home streak to 32 regular-season games.

Boston holds the mark for consecutive wins at home with a streak of 38.

SuperSonics 99, Rockets 94 Another tough home team for Seattle, which is 20-2 at Key Arena after its seventh consecutive victory over the Rockets. Shawn Kemp and Gary Payton both scored 22 points.

Cavaliers 91, Celtics 73 At Cleveland, Bobby Phills scored 21 points and the Cavs' league-leading defense let only two Boston players reach double figures.

Spurs 109, Hornets 102 The visitors put this one away early, hitting their first seven shots and 10 of 11 in a 20-0 run.

Bucks 114, Mavericks 111 Vin Baker scored 36 points, including a key fade-away basket and had a lead-saving block in the closing seconds.

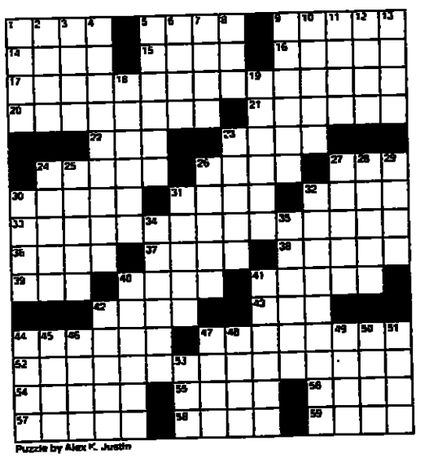
CROSSWORD

ACROSS

1 Not a dupl
5 Part of Indochina
9 D or F, but rarely E
14 Photog's purchase
15 Narrow margin
16 Valuable timepiece
17 Display anger
20 Herolike
21 Noted acting family
22 Occupational suffix
23 Merrie —— England
24 Eating places
26 Some footballers
27 At this point, in France
30 An astronaut gets into it
31 Temporal prefix
32 Beginning at
33 Display wrath
36 Thematic poetry
37 Water-skier's aid
38 Get lost
39 At the same time
40 Frightener
41 Hypochondriac's complaints
42 "Auld Lang ——"
43 Cinematographer's tool, for short
44 Seafood order
47 Disaffect
52 Display rage
54 Pandora's release
55 Don River's outlet
56 Cross initials
57 Theater capacity
58 Boxer's garb
59 Not restricted by sex

DOWN

1 "Carmina Burana" composer
2 Speaking ——
3 Russian writer Ehrenburg
4 Makes much of
5 Some cons
6 Army members
7 Big name in newspaper publishing
8 Cyndi Lauper's "—— Bop"
9 Steinways
10 Singer Blakley
11 "M*A*S*H" actor
12 Farmer's place, in rhyme
13 Divorcees
18 Argosies
19 "Picnic" star
23 In the lead
24 Dessert item
25 Monastery superior
26 Kind of fire
27 Grenoble's department
28 Fizzy drinks
29 Doubtful
30 Passé word in marriage vows
31 Words of wisdom
32 Short-breathed
34 Like many O. Henry stories
35 Walled side of a ditch
40 Kind of surgery
41 On duty
42 Refine
44 The Beatles' "—— Leaving Home"
45 It may be batty
46 Athletic shoe company
47 Auto designer Ferrari
48 Tuft-hunter
49 Boy abroad
50 Blood and guts
51 "Idylls of the King" lady
53 Dinghy thingie



Puzzle by Alex K. Justin

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Feb. 7

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'Big Dawg' Meets the Judiciary Committee

Compiled by Our Staff From Dispatches

WASHINGTON — Hesitant and tongue-tied, the big man in the brown jersey and orange shoes looked uncomfortable in the formal House Judiciary Committee chamber.

But he was a man on a mission.

He put a big orange bone on the witness table beside a dog-faced hat and stumbled only a little in his testimony about how important his hometown football team has been in his life. He kept his composure even when introduced as a founder of "the dog pond."

That's "dawg pound," not pond, as most anyone from Cleveland could tell you, and the star witness at the congressional hearing Tuesday was "Big Dawg," also known as John Thompson, "basically a nonelected representative of the Cleveland Browns fans."

"I was kind of nervous," he said, but "I think that anything's worth trying to save the team."

Art Modell, owner of the team Thompson holds dear, wants to move the franchise to Baltimore. National Football League owners may vote on the move Friday.

On Monday, a trial is scheduled to begin on Cleveland's claim that the team has a lease obligating it play in Cleveland Stadium through 1998.

Win McNamee/Reuters

Browns fan John Thompson testifying in Washington.

Meanwhile, the owner of the Seahawks has said he wants to move his football team from Seattle to Los Angeles; the owner of the Houston Oilers wants to move his franchise to Tennessee, and fans are still getting used to the St. Louis Rams and the Arizona Cardinals.

Then there's the Oakland-Los Angeles-Oakland Raiders — another story altogether. All of that has inspired lawmakers to propose laws to set the football world straight.

Among the bills pending before committees of the House, Senate or both are proposals to require:

• Teams to leave their name and colors behind when a franchise leaves a city.

• Cities that have lost their franchises to have first refusal rights for expansion teams.

• The league to grant an expansion team to such a city, provided certain financial tests were met.

• Payment from teams that leave stadiums before leases are up to compensate communities for the cost to taxpayers of the unused building or improvements.

Paul Tagliabue, the NFL commissioner, also testified. The committee gave him an uncomfortable ride. Tagliabue has testified twice before to a Senate committee on the need for legal protection to keep teams from hopscotching the country. Twice, he got a favorable reception.

But Tuesday, he met resistance to his pleading that only an exemption from federal antitrust laws would provide the league the power to block franchise movement.

With legislation providing an antitrust exemption, Tagliabue maintains, the NFL's house would be back in order and owners would not be preparing to vote on the Browns' move.

"I am not certain that legislation is necessary or justified in this case," said Representative Henry Hyde of Illinois, the chairman of the committee. "What is the compelling public interest here?"

Even Representative Martin Hoke, Republican of Ohio, who is sponsoring pro-exemption legislation that would let sports leagues enforce their franchise relocation bylaws, parried with the commissioner, saying at one point that Tagliabue had "colossal power" but was unsatisfied without "omnipotence."

Hoke said the exemption was not enough. "It is not that leagues can't restrict team movement," he said, "it is that they refuse to, and they refuse to because it is clearly against the owners' economic self-interest to do so." *(NYT, AP)*

SPORTS

The Hockey Goon Is Extinct; Long Live 'the Enforcer'

Los Angeles Times

ENFORCER. Policeman. Guardian. Protector. Strongman. Tough guy. The position isn't listed on every team has always had one.

"Call me anything, as long as you don't call me the G-word," said Todd Ewen, the Anaheim Mighty Duck winger who has 73 points and 1,601 penalty minutes in nearly 10 NHL seasons. "I find it derogatory. I think the way the game has changed, you have to possess some skills to be competitive and not be a defensive liability. I think the word 'goon' is extinct."

The NHL has reduced outright thuggery and bench-clearing brawls with automatic ejection of the third man into a fight, ejecting the instigator, and fines for players and coaches if players don't leave the area of an altercation. Major fighting penalties peaked at 2.1 a game in 1987-88, and have fallen to 1.5 a game this season. Nonetheless, enforcers survive.

Their numbers have thinned since the 1970s, when the Philadelphia Flyers' "Broad Street Bullies" set a wicked standard, and today's toughies battle each other instead of victimizing marquee players. Still, their role is the same. Sheer force — or the threat of it — remains a weapon to unnerve opponents and create space for teammates. There is still a place for players whose chief contributions are hits, not goals.

But that doesn't mean that the most penalized teams are always the most successful. The Detroit Red Wings, who have the best record in the NHL, are the second-least penalized team, with an average of 17.2 minutes a game.

"There's always going to be intimidation in every sport, whether it's throwing a baseball inside or coming down with your elbows under the hoop," said Kelly Chase, a Hartford Whaler winger, who has five points and 161 penalty minutes. "They've eliminated a lot of the so-called goon stuff with the rules changes, so you can't have guys who can't play the game. If you're a liability on the ice you won't last."

Jimmy Devellano, senior vice president of the Red Wings, said: "I don't think you have the mayhem you used to have, but certainly you wouldn't feel very comfortable if you didn't have at least one on your team."

Enrico Ciccone, of the Tampa Bay Lightning, speaks to NHL disciplinarian Brian Burke so often, Burke calls him "Chico" and asks after his family.

"I don't know if that's good or not," said Ciccone, who led the NHL in penalty minutes last season with 225 in 41 games.

"Enforcers will always be there," said Dave Semenko, a menacing brawler who made his living as Wayne Gretzky's bodyguard on the Edmonton Oilers during the 1980s. "They've been there a long time and I can't see it changing."

The consensus pick as the NHL's most feared enforcer is Bob Probert of the Chicago Blackhawks. A rock-solid 6-foot-3 and 225 pounds, Probert's value soared when he scored 29 goals for the Red Wings in the 1987-88 season and led the NHL with 398 penalty minutes.

Because he has some skills to go with his quick fists and quick temper, the Red Wings stuck with him while he made three trips through alcohol and drug rehabilitation. By his fourth visit, Detroit had let him go and he signed a four-year, contract with Chicago. He sat out a year's suspension but is back and earning $1.6 million, $200,000 more than high-scoring teammate Jeremy Roenick.

"There might not be any enforcers if everybody got rid of them," Ron Wilson, the Anaheim coach, said. "If everyone said, 'This is it,' you'd have the Bob Proberts out there. But because Bob Probert can play, if you can't have an enforcer who's a great hockey player, you'd better have a plain old enforcer in case it's one of those nights when he's trying to kill everybody."

Probert had two assists in Chicago's 4-1 victory over the Mighty Ducks on Sunday and renewed a 10-year-old rivalry with Ewen, raising his season totals to 21 points and 143 penalty minutes.

Probert wouldn't discuss his role. "I don't want to get into that," he said.

Teammates say he's not just a goon.

"He's a tough guy, but he can play the game too," center Brent Sutter said. "He's going to stick up for his teammates, and he has good hands and a good knowledge of the game. He's going to show up every night and bang and chip in some points."

Ewen dreaded fighting him again.

"He was sent out there and you get that tap on the shoulder and sometimes you don't want to go out there," Ewen said. "The most important thing is, it got our team going."

They first tangled when Ewen played for the St. Louis Blues.

"I one-punched him and knocked him out," Ewen said. "We came out of the penalty box and went at it for two minutes at center ice. After that, when St. Louis played Detroit, I'd fight Probert and (Joe) Kocur, Kocur and Probert. There was only one tough guy in St. Louis. I had it all. I had all the fun."

That "fun" has left him with a right eye that's wired into its socket, a right hand with two fingers wired together and grossly swollen knuckles.

"It's what I do," Ewen said. "It's paid the bills. But after 10 operations, it's not that much fun anymore."

No enforcer grew up wanting to be a tough guy. Most could score a little as youngsters, but someone changed their courses along the way.

"My last year of junior, I had one coach who wanted me to fight all the time," Ewen said. "I had 265 penalty minutes and six points. From Christmas on, we got a new coach and he told me all about that little black thing we were chasing, and I ended up with 50 points after Christmas. They'd put me out there and say, 'Go. This is your side. This is his side.' I've learned more from other players than coaches."

Size dictated the fate of Colorado Avalanche left wing Chris Simon, who had 15 points and 174 penalty minutes in 37 games through Sunday.

"I was more of a scorer when I was growing up, until I reached 14 or 15 years old," said Simon, who is 6-3 and 219 pounds. "I was the same size as everyone else, then I started to grow a lot.

"I don't really go out and look for fighting. I play very physical and I finish my checks, and guys get upset with that. That's how fights start. I don't go out and pick a fight with somebody unless they've done something to one of our smaller players."

Marty McSorley, a Los Angeles defenseman who is fifth on the all-time list of penalized players at 2,837 minutes, said every team needed an enforcer, but that "there's going to be the time and place to do it."

"You have to know when it's a good time to take a penalty," he said.

Said Ewen, "The three most well-known players on your team are always your goalie, your top scorer and your tough guy."

Eric Miller/Reuters

Clayton Bleddoes of Boston, practicing enforcing with Pittsburgh's Joe Dziedzic, 6. Ray Scapinello intervenes.

Red Wings Show Florida Their Speed

The Associated Press

The New York Rangers bounced back. The Detroit Red Wings just kept going. Coming off their worst defeat of the season, a 7-1 loss at Colorado, the Rangers beat the New York Islanders 4-2 Tuesday night. The Red Wings, meanwhile, extended their unbeaten streak to

NHL ROUNDUP

10 games with a 4-2 victory over the Florida Panthers.

"Boy, they really came at us," Panthers coach Doug MacLean said. "We're not used to speed like that."

Steve Yzerman and Vyacheslav Kozlov each scored twice and the Red Wings scored on their first shot and three of their first six to quickly take command.

"They just have so much talent," said MacLean, a onetime assistant general manager with the Red Wings.

Rangers 4, Islanders 2 Glenn Healy made 23 saves and Pat Verbeek scored a key goal as the New York Rangers beat the New York Islanders.

Verbeek's goal early in the second period gave the Rangers a 3-2 lead and their eventual winning goal. Adam Graves, Luc Robitaille and Ray Ferraro also scored for the Rangers, who are 3-0 against their neighbors this season.

Penguins 6, Bruins 5 Jaromir Jagr scored his 42d goal and 100th point in a wild four-goal third period that carried the Penguins over Boston.

Stars 5, Blues 2 In St. Louis, Greg Adams and the rookie Grant Marshall each scored twice to lead Dallas over the Blues.

Flames 3, Senators 1 Calgary scored two power-play goals in the second on deflections of shots by James Patrick en route to victory over visiting Ottawa.

Blackhawks 5, Kings 2 Defenseman Igor Ulanov scored his first goal in 39 games with Chicago and had two assists as the visiting Blackhawks stretched their unbeaten streak to eight games.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Orlando	34	13	.723	—
New York	29	16	.644	4
Washington	22	22	.500	10½
Miami	21	26	.447	13
New Jersey	18	27	.400	15
Boston	17	29	.370	16½
Philadelphia	8	36	.182	24½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	41	5	.891	—
Indiana	31	15	.674	10
Cleveland	26	20	.565	15
Atlanta	25	20	.556	15½
Detroit	22	22	.500	18
Charlotte	21	24	.467	19½
Milwaukee	17	27	.386	23
Toronto	13	33	.283	28

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
San Antonio	30	14	.682	—
Utah	31	15	.674	—
Houston	30	18	.625	2
Denver	19	27	.413	12
Dallas	15	30	.333	15½
Minnesota	13	31	.295	17
Vancouver	10	36	.217	21

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	34	12	.739	—
L.A. Lakers	27	19	.587	7
Sacramento	24	19	.558	8½
Portland	23	24	.489	11½
Phoenix	21	24	.467	12½
Golden State	21	25	.457	13
L.A. Clippers	16	30	.348	18

TUESDAY'S RESULTS

Sacramento	25	20	27	30—102
Orlando	30	34	27	31—112

S: Richmond 9-21 2-2 25, B.Grant 7-13 1-2 15; O: O'Neal 9-15 4-9 22, Hardaway 8-10 8-12 24. Rebounds— Sacramento 48 (Smith 9), Orlando 51 (H.Grant 8). Assists— Sacramento 25 (Estes 8), Orlando 29 (Hardaway 9).

San Antonio	30	28	28	23—109
Charlotte	16	32	23	31—102

S.A.: Elliott 7-12 8-11 23, Robinson 9-15 5-6 23; C: Johnson 8-15 4-5 21, Rice 6-18 5-6 17. Rebounds—San Antonio 40 (Robinson 15), Charlotte 44 (Geiger 10). Assists—San Antonio 24 (Johnson 7), Charlotte 25 (Anderson 10).

Boston	13	18	28	23—73
Cleveland	19	22	27	23—91

B: Day 4-12 5-5 14, Wesley 4-10 2-4 11; C: Phills 6-12 8-10 21, Brandon 6-15 2-2 16. Rebounds— Boston 58 (Fox, Ellison 9), Cleveland 55 (Cage 13). Assists—Boston 21 (Fox, Barros 4), Cleveland 22 (Brandon 4).

Chicago	33	17	21	25— 96
Phoenix	39	20	26	30—115

C: Pippen 8-16 3-4 19, Jordan 9-22 10-17 28; P: Barkley 14-19 6-8 35, Johnson 4-9 12-13 20. Rebounds—Chicago 46 (Rodman 14), Phoenix 54 (Barkley 16). Assists—Chicago 28 (Pippen 8), Phoenix 19 (Johnson 10).

Dallas	15	39	29	28—111
Milwaukee	29	30	30	25—114

D: McCloud 13-21 2-4 36, Jackson 5-14 5-5 15; M: Baker 14-21 8-8 36, Robinson 8-18 0-0 17. Rebounds—Dallas 36 (Meyer 9), Milwaukee 44 (Baker 8). Assists—Dallas 23 (Kidd 9), Milwaukee 32 (Douglas 11).

LA Lakers	26	15	25	33— 99
Denver	23	22	16	17— 78

L.A.: Caballos 11-23 5-6 27, Johnson 3-5 10-12 16; D: Mutombo 8-10 4-5 20, Stith 8-14 0-0 17. Rebounds—Los Angeles 56 (Divac 12), Denver 49 (Mutombo 17). Assists—Los Angeles 30 (Johnson 12), Denver 27 (Rose 8).

Washington 25 21 5 55 145 134
New Jersey 23 22 6 52 133 126
Tampa Bay 22 21 7 51 151 165
N.Y. Islanders 14 29 8 36 150 196

NORTHEAST DIVISION

Pittsburgh	32	17	3	67	244	176
Montreal	26	21	6	58	168	162
Boston	22	21	7	51	180	183
Hartford	20	25	6	46	144	163
Buffalo	20	28	3	43	150	169
Ottawa	9	41	2	20	117	205

WESTERN CONFERENCE

CENTRAL DIVISION

Detroit	37	9	4	78	188	108
Chicago	29	15	11	69	189	145
Toronto	22	21	9	53	156	157
St. Louis	21	22	9	51	140	148
Winnipeg	21	26	4	46	178	189
Dallas	15	26	11	41	145	179

PACIFIC DIVISION

Colorado	29	15	9	67	208	146
Vancouver	19	20	13	51	189	175
Calgary	20	23	10	50	153	160
Los Angeles	17	25	12	46	180	192
Edmonton	18	26	6	42	135	190
Anaheim	18	29	5	41	145	175
San Jose	12	36	5	29	166	237

TUESDAY'S RESULTS

Boston	1	2 2—5
Pittsburgh	7	1 4—6

First Period: P-Dziedzic 3 (Nedved, Murray). 2, B-Neely 26 (Bourque, Ellis). Second Period: B-Donato 14 (McEachern, Heinze). 4, P-Tanner 2 (Jagr, Port). 5, B-McEachern 17 (Mogor). Third Period: P-Lemieux 46 (Jagr, Sandstrom) (pp). 7, P-Nedved 23, (sh). 8, B-Mogor 9 (Bourque) (pp). 9, B-Bourque 16 (McEachern, Sweeney). 10, P-Syndknil 19 (Zubov, Lemieux). 11, P-Jagr 42. Shots on goal: B- 15-11-19—36. P- 10-11-16—37. Goalies: B-Ranford, P-Wregget.

N.Y. Rangers	2	2	0—4
N.Y. Islanders	2	1	0—3

First Period: N.Y. Rangers -Graves 19 (Robitaille, Leetch) (pp). 2, N.Y. Islanders - Green 19 (Palffy, Schneider) (pp). 3, N.Y. Islanders -Palffy 21 (Lachance, Schneider) (pp). 4, N.Y. Rangers -Robitaille 16 (Messier, Leetch) (pp). Second Period: N.Y. Rangers - Ferraro 21 (Verbeek, Robitaille). Third Period—None. Shots on goal: N.Y. Rangers 12-9-14—35, N.Y. Islanders 11-6-8—25. Goalies: N.Y. Rangers, Healy, N.Y. Islanders, Fichaud.

Florida	0	0	2—2
Detroit	3	0	1—4

First Period: D-Yzerman 23 (Coffey, Taylor). 2, D-Kozlov 25 (Fedorov, Fetisov). 3, D-Yzerman 24 (Taylor, McCarty). Second Period—None. Third Period: F-Dvorak 12 (Smith, Jovanovski). 5, D-Kozlov 26 (Konstantinov, Larionov). 6, F-, Lowry 8 (Fitzgerald). Shots on goal: F- 7-6-13—26. D-11-3-6—20. Goalies: F-Vanbiesbrouck, Fitzpatrick. D-Osgood.

Dallas	2	2	1—5
St. Louis	0	1	1—2

First Period: D-Nieuwendyk 6 (D.Hatcher, Fedyk). 2, D-Marshall 8 (Carbonneau, D. Hatcher). Second Period: S.L.-Courtnall 16 (Zezel, Daigneault) (pp). 4, D-Adams 16 (Nieu-wendyk, K.Hatcher) (pp). 5, D-Adams 17 (Lehtinen, Modano) (pp). Third Period: D-Mor-shall 9 (Huard). 7, S.L.-, Howerchuk 12 (Mac-innis, Hull) (pp). Shots on goal: D- 13-9-7—29, S.L.- 9-15-8—32. Goalies: D-Bester. S.L.-Fuhr.

Ottawa	0	1	0—1
Calgary	0	3	0—3

First Period—None. Second Period: C-McCarthy 7 (Patrick, Housley) (pp). 2, C-Stillman 11 (Patrick, Nylander) (pp). 3, C-Fleury 28 (Nylander, Housley). 4, O-Dochesne 8 (Yashin, Alfredsson). Third Period—None. Shots on goal: O- 10-8-7—25. C- 4-17-7—28. Goalies: O-Rhodes. C-Kidd.

Chicago	2	3	0—5
Los Angeles	0	1	1—2

First Period: C-Murphy 16 (Nicholls, Suter) (pp). 2, C-Probert 10 (Sutter, Ulanov). Second Period: C-Amonte 16 (Nicholls, Ulanov). 4, C-Roenick 26 (Chelios, Suter) (pp). 5, L.A., Druce 8 (Lacroix, Stoney). 6, C-Ulanov 1 (Sutter, Shanti). Third Period: L.A.-Perreault 17 (McSorley). Shots on goal: C- 15-11-6—32. L.A.- 8-15-7—30. Goalies: C-Hackett, L.A.-Dafoe.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
N.Y. Rangers	31	12	10	72	193	148
Florida	32	15	6	70	184	146
Philadelphia	26	14	11	63	179	134

Top 25 College Results

How the top 25 teams in The Associated Press' college basketball poll fared Tuesday: 1, Massachusetts (22-0) beat Fordham 73-47. Next: vs. Temple, Sunday; 4, Connecticut (22-1) beat Providence 99-77. Next: vs. West Virginia, Wednesday, Feb. 14; 11, Virginia Tech (17-2) beat Duquesne 69-63. Next: at Xavier, Ohio, Saturday; 12, North Carolina (16-6) lost to Maryland 84-78. Next: vs. Georgia Tech, Saturday.

Major College Scores

Alabama 83, Southern Miss. 69
Clemson 77, Wofford 28
Indiana 81, Minnesota 66
Manhattan 65, Notre Dame 44
Mississippi St. 78, Arkansas 63
Penn 90, Lehigh 73
Rhode Island 74, La Salle 65

SOCCER

EUROPEAN SUPER CUP
FIRST LEG
Real Zaragoza 1, Ajax Amsterdam 1
ENGLISH F.A. CUP
FOURTH ROUND
Huddersfield 2, Peterborough 0
Swansea 0, Stockport 3
Colchester 1, Scarborough 1
Torquay 1, Barnet 1
FRENCH FIRST DIVISION
Lens 1, Lille 1

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BALTIMORE—Agreed to terms with Gregg Zaun, catcher, on 1-year contract.

CALIFORNIA—Agreed to terms with Pete Janicki and Joe Rossell, pitchers.

CHICAGO—Signed Joe Magrane, pitcher, to minor league contract.

N.Y. YANKEES—Agreed to terms with Matt Luke, outfielder, and Tate Seefried, first baseman, on 1-year contracts. Sent Blaise Kozeniewski, pitcher, to Chicago to complete the Jan. 23 Tim Raines trade.

TEXAS—Agreed to terms with Mark Mimbs and Julio Santana, pitchers, on 1-year contracts.

NATIONAL LEAGUE

COLORADO—Agreed to terms with Eric Young, outfielder, and Jorge Brito, catcher, on 1-year contracts.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

NBA—Suspended Denver guard Jalen Rose and Milwaukee guard Sherman Douglas for 1 game without pay and fined them $7,500 and $4,000, respectively, for their actions in a Feb. 1 game.

ORLANDO—Activated Jon Koncak, center, from injured list. Put Jeff Turner, forward, on injured list.

WASHINGTON—Signed Greg Grant, guard, to 10-day contract. Put Chris Webber, forward, and Mark Price, guard, on injured list.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

DETROIT—Named Jim Eddy defensive coordinator.

JACKSONVILLE—Signed Roger Graham, running back.

MIAMI—Released Gary Clark, wide receiver, and Bert Weidner, offensive lineman. Signed Chico Nelson, safety, and Joe Phanansky, tight end.

N.Y. JETS—Named Ron Erhardt offensive coordinator and Pat Hodgson tight ends coach.

OAKLAND—Named Rusty Tillman special teams coach.

PITTSBURGH—Promoted Chan Gailey, receivers coach, to offensive coordinator.

HOCKEY
NATIONAL HOCKEY LEAGUE

NHL—Suspended Montreal center Marc Bureau five games without pay and fined him $1,000 for an elbowing incident involving Philadelphia defenseman Petr Svoboda on Thursday.

ANAHEIM—Recalled J.F. Jomphe, and Jim Campbell, forwards, from Baltimore, AHL.

BUFFALO—Recalled Scott Pearson, left wing, and Andrei Trefilov, goaltender, from Rochester, AHL; Sent Brian Holzinger, center, and John Blue, goaltender, to Rochester.

COLORADO—Sent Aaron Miller, defenseman, to Cornwall, AHL.

DALLAS—Recalled Travis Richards, defenseman, from Michigan, IHL. Put Shane Churla, forward, on injured reserve list.

EDMONTON—Sent Greg DeVries, defenseman, to Cape Breton, AHL.

FLORIDA—Recalled Bob Boughner, defenseman, from Carolina, AHL.

HARTFORD—Sent Jason McBain and Marek Malik, defensemen, to Springfield, AHL.

MONTREAL—Sent Patrick Labrecque, goaltender, to Fredericton, AHL.

PHILADELPHIA—Acquired Bob Corkum, center, from Anaheim for Chris Herperger, center, and a 1997 seventh-round draft pick. Sent Yanick Dupre, left wing, to Hershey, AHL. Recalled Aris Brimanis, defenseman, from Hershey.

SAN JOSE—Sent Mike Rathje, defenseman, to Kansas City, IHL. Recalled Larry Dyck, goaltender, from Kansas City.

ST. LOUIS—Traded Rob Pearson, right wing, to Washington for Denis Chasse, forward.

TAMPA BAY—Sent Allan Egeland, center, to Atlanta, IHL. Recalled Chris LiPuma, defenseman, from Atlanta, IHL.

TORONTO—Loaned Mike Pomichter, center, to St. John's, AHL; Recalled Jamie Howard, defenseman, from St. John's, AHL.

WASHINGTON—Sent Joel Pointer, left wing, from Portland, AHL to Hampton Roads, ECHL; Recalled Rob Pearson, right wing, from Portland, and traded Pearson to St. Louis.

WINNIPEG—Recalled Iain Fraser, center, and Michal Grosek, left wing, from Springfield, AHL.

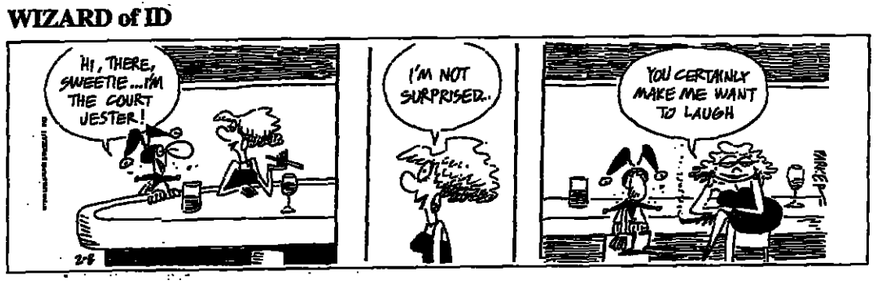
COLLEGE

FORDHAM—Announced Maurice Curtis, basketball forward, has transferred from West Virginia.

IOWA—Suspended Chris Kingsbury, basketball guard, for three games because of unsportsmanlike behavior in a game against Penn State last Saturday.

DOONESBURY

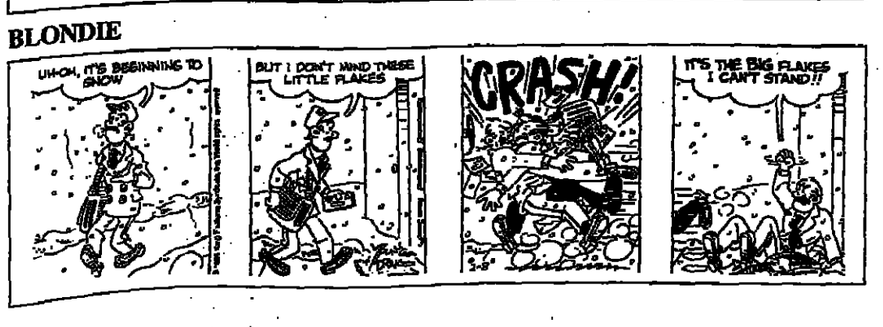
WIZARD of ID



CALVIN AND HOBBES

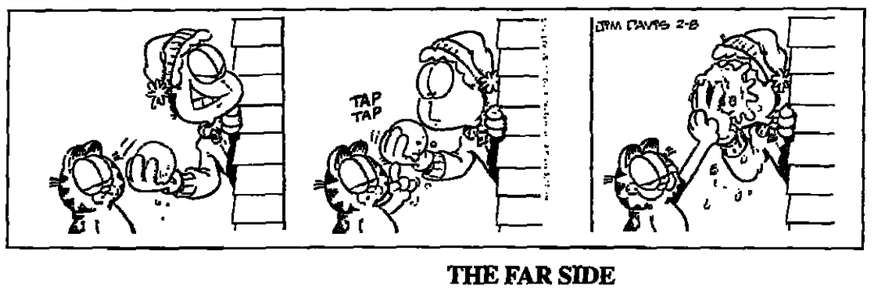
BEETLE BAILEY

BLONDIE

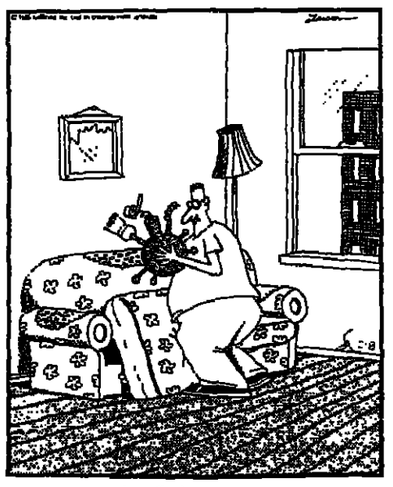


PEANUTS

GARFIELD



THE FAR SIDE



Edgar finds his purpose.

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BOARR

TAROA

CAUPTE

DEGLUC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here : A ○○○○○ ○○○○

(Answers tomorrow)

Yesterday's Jumbles: NAVAL SILKY INCOME GIMLET
Answer: A walk through a rain forest can be this — MISTICAL

ART BUCHWALD

The Whowroteit

WASHINGTON — Washington has many worries. The one that is causing us tremendous anxiety at the moment is who wrote the book "Primary Colors," which is supposedly based on the lives of the occupants of the White House. While critics tell us that it is not exactly "War and Peace," that is not the issue.

Buchwald

The fact is that Washington now has a secret almost in the same class as "Deep Throat," and residents inside the Capital Beltway can't stand the idea that some "Anonymous" person is hiding something from them.

□

It's ironic that the suspects who may or may not have written the book are not exactly household names. Here are just a few of the people who have been mentioned: Joe Klein of Newsweek, Chris Buckley of The New Yorker, Mandy Grunwald of Clinton's staff, speechwriter Bob Shrum and John Buckley of the Federal National Mortgage Association.

Now everyone knows that you would have to go to the Missing Persons Bureau to find any of these people. This is one of the things that makes Washington such an exciting place to be. Here we not only worship famous people but also ones that nobody has ever heard of.

Give us a puzzle and we go ballistic. Keep us out of the loop with the word "anonymous" and we'll drop everything to expose a publisher's lousy secret. We do, however, lose interest the moment the fox is brought to ground. Let's say, for example, we discover that Mike Boychik is "Anonymous." Up until this moment the book has been a best-seller, but once the name of the author is known, nobody in his right mind is going to buy it.

□

From a literary point of view it is fascinating to see that many people who have never written a book are being given credit for writing "Primary Colors." On the basis of just being mentioned as a suspect, the writers on the list have been able to triple their literary advances.

I'm positive I know who wrote it based on the style and fingerprints. You don't have to look any farther than the White House. First daughter Chelsea is the author. She knows more about her parents than anyone else, and like most teenagers she's ready to talk.

Ancient Relics Found in China

The Associated Press

BEIJING — Relics from tombs dating back to the Spring and Autumn Period (770-476 BC) have been unearthed in the northwestern city of Korla, an official report said Wednesday.

The 2,500-year-old relics indicate that Korla, in Xinjiang Province, 2,400 kilometers northwest of Beijing, was inhabited 1,000 years earlier than had been recorded, the Xinhua press agency reported.

Three newly excavated tombs included the skeletons and the cremated skulls of 21 people, as well as pottery fragments, paper-thin gold leaf earrings and an iron sword with a bronze handle.

John McLaughlin, All in the Family Crazy

By Mike Zwerin
International Herald Tribune

PARIS — One thing John McLaughlin likes about being a member of the family of jazz musicians is that you can be as loony as you want. Being nuts is accepted. It goes with the music. He'd much rather get loonier than wiser with age. It's even expected. All the brothers and sisters out there know that it's really that other great big "sane" world that's crazy.

McLaughlin's new album, "The Promise" (Verve), is a visit down a long and winding Memory Lane. Recorded in Tokyo, Paris, Milan, New York, London and Wiltshire, England, and Monaco (where he lives), it recalls his electric and acoustic jazz, rock, organ trio and classical and Indian musical incarnations back to the '60s.

Although he might be called a guitar hero's guitar hero, behind that rock star persona is a serious player who, despite temptation right and left, just wants to get it on. Playing with Miles Davis taught him the value of silence ("In a Silent Way"). But his breakneck heroics do not put him in a position to advise young guitarists to play slower. He tries to overwhelm guitar players, he won't deny it. Unlike competition between corporations and athletes, however, nobody loses here.

It's a matter of being worthy of the family. He remembers knocking on Davis's dressing room door one sweaty, stomping Saturday night in New York. "John!" The trumpeter jumped up. "Come on in. What you been up to?" He sat down again, got up, walked around. Here was this historic figure, the embodiment of "cool"; an icon with nothing left to prove to anybody, and still he was nervous. He felt he had to do it one more time in New York. Another moment of truth. One more rush. For the family.

On "The Promise," McLaughlin revives his acoustic guitar trio with Paco de Lucia and Al DiMeola. He plays Indian music again with Trilok Gurtu and Zakir Hussain. He plugs in again with rock guitarist Jeff Beck. Beck and McLaughlin used to tear it up together in the '70s. Family. "Jazz Jungle," a 14-minute jazz-rock fusion celebration, features Michael Brecker. With his Mahavishnu Orchestra, McLaughlin had been just about the king of fusion.

He scratched his head: "Critics say 'Thank God fusion is dead,' as though it was a pestilence in the land of jazz. They blame me for being a kind of carrier. But I really do love that music. What am I supposed to do — punch them in the nose?"

"Jazz Jungle" was recorded live. "Live" in a studio context means everybody played together — a procedure becoming more and more rare. We live under the not so benevolent reign of King Technology. No, God more than King. Musicians worship computer screens like altars in recording studios. If there's a choice, the machine should be comfortable not the people.

For example, two hommen recently recorded a "unison" passage in state-of-the-art fashion — meaning one by one, each wearing earphones. Playing at the same time would have been heresy. (The sin we are avoiding here is called "leakage.") In any case, it never even occurred to the producer. McLaughlin finds it odd that musicians playing the same music at the same time is odd enough to be worth mentioning.

He also finds it odd to have to continue to defend the idea that there is more than one kind of swing. Shouldn't that be obvious by now? Swing is universal. A polka can swing. Dennis Chambers with his current band "The Free Spirits" is one of the few drummers around to be both willing and able to go back and forth between what McLaughlin calls "a spiritual backbeat" and jazz's looser "ding-ding-de-ding" three-on-a-ride-cymbal sort of swing:

"Dennis is always on my case on stage. That's the way it should be. I'm on his too. It's all about interaction. You let yourself be provoked, and you provoke the other guys. Go for broke." The Free Spirits shuffle tempi, time signatures and dynamics to a point where they themselves do not know what to expect.

Christian Rose
Guitarist McLaughlin: a visit down a winding Memory Lane.

Chambers will shift the beat back an eighth note, for example. The tempo is the same as before except that it comes an eighth later. It's never been rehearsed or even discussed. Just bing: "Surprise!" McLaughlin is hanging on by his teeth. He can feel the tension down his back. If not for that eighth note it sounds perfectly normal. But lose it and you're in big trouble. At some point Chambers is going to come back inside and you'd better be in the right place. It's all about listening, which gives McLaughlin faith in the human race. People who can still listen to each other can still be free spirits.

The music of Shakti, his fusion quartet with three Indians in it, was all about East and West listening to each other. Talk about universal swing. When they played Venice in 1969, people in the audience began to cry as the violinist L. Shankar was exposing a classical raga with a drone.

He's really on tonight, McLaughlin thought; he's breaking hearts out there. The crying got louder and a full Coca Cola bottle arrived on the stage. He was afraid the next one might hit his guitar or his head. Outside a car was burning and students banged the gates shouting "music should be free." The band began to weep too. It was tear gas and this time bones were more likely to be broken than hearts.

In April, he will give two concerts in France with the master drummer Elvin Jones: a follow-up to their record "After the Rain." They play "My Favorite Things" and "Take the Coltrane" and other tunes associated with Trane when Jones accompanied him. The record was released by PolyGram France and the concerts are in the cadre of the Parisian Banlieues Blues festival and this is no coincidence, according to McLaughlin:

"When it comes to knowing how to treat jazz right the French are the best. Only the French would take the trouble to work out all the details to put me and Elvin together — would know and care enough even to try." He laughed conspiratorially: "You know, I hate to say anything nice about the French, it sort of sticks in your throat. But thank God for those kind of people."

Like the man said, family.

WEATHER

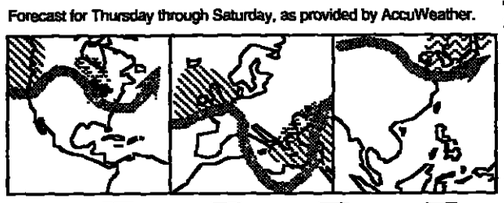
Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	17/62	13/55 c	19/66	13/55 c
Amsterdam	2/35	-3/27 c	1/34	-2/29 sn
Ankara	10/50	2/35 r	7/44	0/32 r
Athens	12/53	7/44 r	13/55	7/44 sh
Barcelona	13/55	6/43 r	12/53	6/46 c
Belgrade	-1/31	-4/25 sn	0/32	-4/25 c
Berlin	-3/27	-13/9 s	-3/27	-9/16 s
Brussels	1/34	-3/27 r	1/34	-4/25 c
Budapest	-1/31	-6/22 pc	-1/31	-4/25 pc
Copenhagen	-3/27	-11/13 s	-4/25	-8/18 c
Costa Del Sol	17/62	12/53 c	18/64	13/55 s
Dublin	6/43	1/34 sh	7/44	-1/31 r
Edinburgh	6/43	4/39 r	6/43	3/37 r
Florence	7/44	-2/29 pc	8/46	1/34 pc
Frankfurt	-1/31	-8/18 s	0/32	-6/22 s
Geneva	4/39	1/34 r	5/41	-1/31 c
Helsinki	-7/20	-13/9 pc	-8/22	-12/11 pc
Istanbul	8/46	6/43 t	9/48	4/39 r
Las Palmas	24/75	14/57 s	24/75	17/62 s
Lisbon	14/57	12/53 r	17/62	12/53 pc
London	4/39	3/37 r	7/44	2/35 c
Madrid	12/53	3/37 r	14/57	5/41 r
Milan	4/39	-2/29 c	4/39	-1/31 sn
Moscow	-9/16	-13/9 c	-7/20	-13/9 s
Munich	3/37	-7/20 s	4/39	-4/25 s
Nice	8/46	4/39 r	11/52	4/39 c
Oslo	-9/16	-13/9 sn	-9/16	-13/9 sn
Mallorca	11/52	6/48 r	11/52	9/48 c
Paris	2/35	1/34 r	4/39	-1/31 r
Prague	-1/31	-9/16 s	0/32	-6/22 s
Reykjavik	2/35	-1/31 sn	2/35	-3/27 sn
Rome	8/46	1/34 pc	11/52	2/35 pc
St. Petersburg	-11/13	-13/9 c	-8/18	-14/7 sn
Stockholm	-7/20	-12/11 c	-8/22	-11/13 c
Strasbourg	6/43	-1/31 pc	3/37	-3/27 sn
Tallinn	-7/20	-12/11 pc	-5/24	-12/11 pc
Venice	5/41	-2/29 pc	6/43	0/32 pc
Vienna	0/32	-7/20 pc	1/34	-4/25 c
Warsaw	-4/25	-9/16 c	-3/27	-9/16 c
Zurich	5/41	-2/29 pc	3/37	-2/29 sn

Oceania

Auckland	24/75	16/61 c	24/75	16/61 pc
Sydney	28/82	21/70 r	28/82	21/70 pc

Forecast for Thursday through Saturday, as provided by AccuWeather.



North America Milder Thursday from Washington, D.C., to Boston with a chance of showers, then dry and chilly Friday and Saturday. Snow or flurries Thursday and again Saturday in Toronto and Chicago. Rainy in Seattle and Portland Thursday, then dry. Dry in Los Angeles and San Francisco.

Europe Wind and rain will lash the British Isles Friday and Saturday; some areas will get sleet or snow. Some rain or snow will probably fall in Paris. Amsterdam and Berlin. Spain, Portugal and the south of France will be mainly dry. Italy will have snow and rain Thursday into Friday.

Asia Rain in much of Japan Thursday then blustery and cold Friday into Saturday. Cold in Korea Thursday and Friday with snow flurries; moderating Saturday. Dry weather will reach from Shanghai to Hong Kong, but a few thunderstorms will be scattered from the Philippines to Malaysia.

Middle East

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Abu Dhabi	24/75	12/53 s	27/80	16/61 s
Beirut	19/66	14/57 pc	21/70	14/57 pc
Cairo	24/75	13/55 s	25/77	13/55 s
Damascus	17/62	7/44 pc	17/62	8/46 pc
Jerusalem	19/66	11/52 pc	17/62	11/52 pc
Luxor	33/91	14/57 s	36/100	14/57 s
Riyadh	23/73	9/48 s	29/84	15/61 s

Africa

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algiers	14/57	12/53 r	13/55	11/52 r
Cape Town	30/86	17/62 s	27/80	17/62 s
Casablanca	16/61	12/53 c	19/66	13/55 c
Harare	21/70	6/41 s	24/75	7/44 s
Lagos	31/88	25/79 pc	31/88	26/79 pc
Nairobi	24/75	12/53 pc	25/77	13/55 c
Tunis	13/55	10/50 r	12/53	7/44 r

Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Bangkok	29/84	24/75 pc	30/86	23/73 c
Beijing	1/34	-6/22 sl	2/35	-12/11 s
Hong Kong	19/66	14/57 c	17/62	14/57 c
Manila	31/88	22/71 pc	31/88	23/73 pc
New Delhi	31/88	16/61 s	32/89	16/61 s
Seoul	0/32	-7/20 pc	1/34	-3/27 r
Shanghai	8/48	-1/31 s	11/52	1/34 s
Singapore	28/82	25/77 sh	29/84	25/77 sh
Taipei	18/64	10/50 pc	19/66	13/55 c
Tokyo	5/41	-2/29 c	6/46	-1/31 pc

Latin America

Buenos Aires	30/86	22/71 pc	23/84	21/70 pc
Caracas	28/84	18/64 c	29/84	18/64 pc
Lima	24/75	21/70 pc	26/78	21/70 pc
Mexico City	24/75	6/43 s	23/73	7/44 s
Rio de Janeiro	31/88	24/75 pc	30/86	24/75 pc
Santiago	26/79	11/52 s	27/80	11/52 pc

North America

Anchorage	-3/27	-17/2 sn	-7/20	-14/7 pc
Atlanta	7/44	-1/31 s	12/53	2/35 pc
Boston	-2/29	-9/16 s	-1/31	-3/27 pc
Chicago	-3/27	-7/20 s	-3/27	-2/29 sn
Denver	13/55	4/39 pc	16/61	1/34 s
Detroit	-3/27	-10/15 pc	0/32	-2/29 sn
Honolulu	29/82	20/68 pc	29/84	22/71 pc
Houston	19/66	13/55 pc	23/73	9/48 pc
Los Angeles	20/68	12/53 s	23/73	12/53 s
Miami	22/71	13/55 pc	25/77	18/64 pc
Minneapolis	-4/25	-9/16 sn	2/35	-6/22 pc
Montreal	-9/16	-14/7 pc	-6/22	-14/7 c
Nassau	24/75	17/62 pc	29/79	19/66 pc
New York	-1/31	-7/20 s	1/34	-4/25 pc
Phoenix	23/73	11/52 pc	24/75	13/55 s
San Fran.	18/64	11/52 c	17/62	11/52 pc
Seattle	10/50	7/44 r	11/52	8/46 r
Toronto	-4/25	-13/9 pc	-2/29	-7/20 sn
Vancouver	10/50	6/43 r	11/52	6/43 r
Washington	1/34	-8/18 s	2/35	-1/31 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1996

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	85	165	Good	Open	Pwdr	7/2	fully open, ideal skiing conditions
Soldeu	70	170	Good	Open	Pwdr	7/2	Fully open, superb skiing
Austria							
Ischgl	20	75	Fair	Open	Pckd	5/2	41 lifts open, all but low runs good
Hinterlux	10	200	Good	Closed	Var	5/2	17 lifts open, excellent glacier skiing
Kitzbuhel	5	75	Fair	Some	Var	5/2	57/64 lifts open, generally good
Lech	40	80	Fair	Open	Var	5/2	All 34 lifts open, pistes still good
Obergurgl	40	100	Good	Open	Pwdr	5/2	All 22 lifts open, ideal skiing
Saalbach	25	50	Fair	Art	Var	4/2	All lifts open, improved pistes
Schladming	50	60	Good	Open	Var	5/2	All lifts open, some untracked Pwdr
St. Anton	20	120	Fair	Art	Var	5/2	All lifts open, n.Facing slopesGood
Canada							
Lake Louise	120	165	Good	Open	Pwdr	6/2	All 12 lifts open, great skiing
Whistler	85	215	Good	Open	Pwdr	6/2	25/26 lifts open, bountiful Pwdr
France							
Alpe d'Huez	80	235	Good	Open	Pwdr	7/2	72/82 lifts open, superb skiing
Avoriaz	90	130	Good	Open	Pwdr	7/2	41/49 lifts open, great skiing
Chamonix	30	185	Good	Closed	Pwdr	7/2	51/62 lifts open, fresh Pwdr to enjoy
Courchevel	75	85	Good	Open	Pwdr	7/2	65/68 lifts open, fresh covering
Les Deux Alpes	30	270	Good	Open	Var	7/2	43/63 lifts open, all but lowest Good
Méribel	40	80	Good	Open	Var	7/2	56/57 lifts open, much improved
La Plagne	85	170	Good	Open	Pwdr	7/2	100/112 lifts open, great skiing
Tignes	95	155	Good	Open	Pwdr	7/2	47/49 lifts open, superb skiing
Val d'Isère	80	150	Good	Open	Pwdr	7/2	49/51 lifts open, great off options
Val Thorens	65	125	Good	Open	Var	7/2	All 25 lifts open, most pistes Good
Germany							
Berchtesgaden	20	60	Good	Closed	Var	5/2	15/31 lifts open, all but lowest Good
Garmisch	10	200	Good	Closed	Var	5/2	35 lifts open, good above midstation
Italy							
Bormio	35	125	Good	Open	Pckd	3/2	15/16 lifts, good on most pistes
Cervinia	100	300	Good	Open	Pwdr	2/2	All lifts open, great skiing
Cortina	20	90	Good	Some	Pckd	3/2	Most lifts open, all but lowest Good
Courmayeur	45	150	Good	Closed	Pckd	3/2	23/23 lifts open, good though icy
Livigno	60	110	Good	Open	Pckd	2/2	All 30 lifts open, enjoyable skiing
Norway							
Gello	55	55	Good	Open	Var	6/2	12/18 lifts open, light snow covering
Spain							
La Molina	85	270	Good	Open	Pwdr	6/2	9/11 lifts open, superb skiing
Switzerland							
Champery	5	80	Good	Closed	Var	4/2	All lifts open, slopes reasonable
Crans Montana	0	110	Fair	Closed	Var	5/2	34/42 lifts open, good skiing on runs
Davos	20	80	Fair	Open	Var	4/2	51/56 lifts open,slopes icy in places
Grindelwald	5	35	Fair	Closed	Var	7/2	7/10 lifts open, dusting of fresh
Klosters	10	75	Fair	Art	Var	4/2	53/55 lifts open, pistes Good
St. Moritz	40	90	Good	Open	Var	3/2	All 24 lifts open, runsGood
Verbier	65	90	Good	wom	Var	4/2	32/39 lifts open, mostly good
Wengen	5	30	Fair	Closed	Var	4/2	18/23 lifts open, snow flurries
Zermatt	25	280	Good	Open	Var	7/2	29/37 lifts open, fresh Pwdr to enjoy
U.S.							
Breckenridge	225	275	Good	Open	Pwdr	6/2	17 lifts open, fresh Pwdr to enjoy
Crested Butte	190	220	Good	Open	Pwdr	6/2	All lifts open, great skiing conditions
Keystone	210	245	Good	Open	Var	2/2	14 lifts open, lovely skiing all over
Heavenly	180	300	Good	Open	Pwdr	5/2	Fully open, superb skiing conditions
Park City	200	265	Good	Open	Pwdr	5/2	All lifts, 80 runs open, great skiing
Telluride	175	215	Good	Open	Pwdr	1/2	All 10 lifts open, excellent skiing
Vail	195	250	Good	Open	Var	4/2	26 lifts open, lovely skiing all over

Key: L,U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow

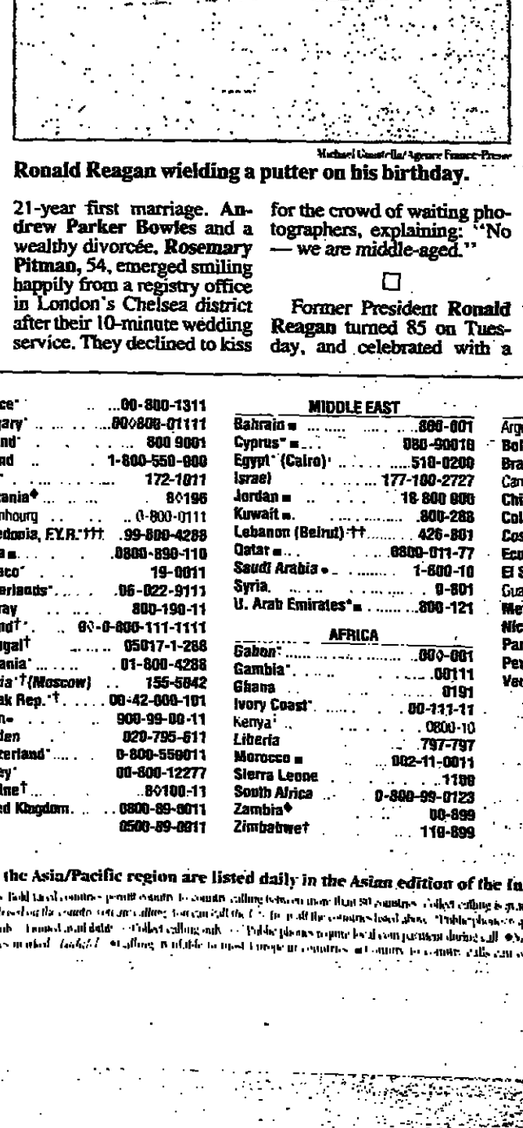
Reports supplied by the Ski Club of Great Britain.

PEOPLE

A MANUSCRIPT by actress **Joan Collins** about two sisters vying for control of a fictitious principality was "just plain ridiculous," her editor said in a memo read in court in New York. **Joni Evans**, who worked with the "Dynasty" star on her book deal with Random House, testified that the 690-page novel submitted by Collins in 1991 was "not a real submission." Evans also acknowledged writing a memo that ripped Collins's effort, although the actress' attorney tried to show the submission fulfilled the conditions of her $4 million book deal. "She turned in — however good, however bad — a story that had a beginning, a middle and an end, a completed manuscript?" asked Collins's attorney, **Donald Zakarin**. Evans thought for a moment before concluding, "No." But Evans admitted under cross-examination that she had suggested the plot line to Collins, going as far as sending the actress-turned-author a written outline to follow. Random House is suing Collins for return of a $1.3 million advance. Collins, 62, is countersuing for the rest of the $4 million promised to her in the book deal. A sample from one of the books, "The Ruling Passion": "What with his amusing chat ups, his long yellow curly hair, and the crinkly gray blue eyes that oozed sexual promise when he wanted them to, Fabio D'Angalis had always been known as an 'A' stud in Rome, where good-looking young men with dazzling looks lurked at every open air cafe and corner fountain."

□

The former husband of **Prince Charles's** long-time friend, **Camilla Parker Bowles**, married for the second time Wednesday, less than a year after ending his 21-year first marriage. **Andrew Parker Bowles** and a wealthy divorcée, **Rosemary Pitman**, 54, emerged smiling happily from a registry office in London's Chelsea district after their 10-minute wedding service. They declined to kiss for the crowd of waiting photographers, explaining: "No — we are middle-aged."


Michael Dwyer/Ria/Agence France-Presse
Ronald Reagan wielding a putter on his birthday.

□

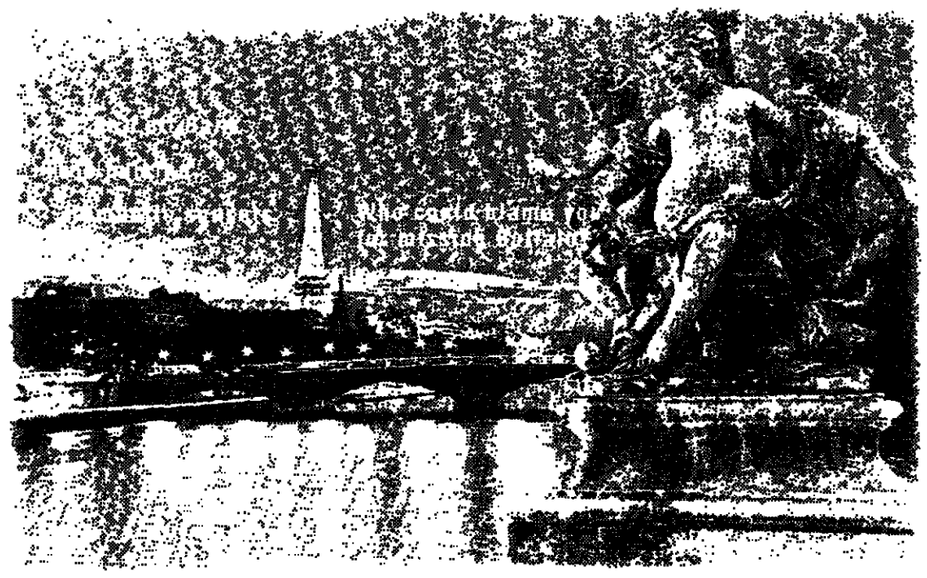
Former President **Ronald Reagan** turned 85 on Tuesday, and celebrated with a round of golf in the company of comedian **Bob Hope** before a private dinner at home with his family. But Reagan, who is suffering from Alzheimer's disease, was unable to be in Beverly Hills later to celebrate his birthday at a party featuring a Who's Who of Hollywood and Washington. His wife, **Nancy**, attended the bash at the former actor's favorite Hollywood restaurant, Chasen's, which closed last year but reopened again for his birthday. It was there that Reagan proposed marriage to his wife. The guest list included former President **Gerald Ford** and his wife, **Betty**, of clinic fame, the former chairman of the Joint Chiefs of Staff, General **Colin Powell**, and Newt **Gingrich**, speaker of the House of Representatives.

□

Sir Simon Rattle, 40, widely admired music director of the City of Birmingham Symphony Orchestra, announced that he will step down after the 1997-1998 season.

□

The **Duchess of York's** ex-financial adviser, **John Bryan**, who was photographed by enterprising paparazzi in 1992 sucking her toes while she lounged topless by a swimming pool in the south of France, wants a share of the deals she is reported to have made to free herself of debt. The Daily Express quoted Bryan as saying that he has instructed his lawyers to find out details of secret agreements she has made in the United States. It said Bryan is demanding 10 percent of worldwide earnings from the "Budgie the Little Helicopter" books she wrote and their spinoff, saying that it was his business know-how that had first made them a success.



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Portugal†	05017-1-288
Romania*	01-800-4288
Russia*†(Moscow)	155-5042
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Switzerland*	0-800-559011
Turkey*	00-800-12277
Ukraine†	80100-11
United Kingdom	0800-89-0011
	0500-89-0011

MIDDLE EAST	
Bahrain■	800-001
Cyprus*■	980-90010
Egypt* (Cairo)*	510-0200
Israel	177-100-2727
Jordan■	18 800 000
Kuwait■	800-288
Lebanon (Beirut)*††	426-801
Qatar■	0800-011-77
Saudi Arabia■	1-800-10
Syria	9-801
U. Arab Emirates*■	800-121

AFRICA	
Gabon*	800-001
Gambia*	00111
Ghana	0191
Ivory Coast*	00-111-11
Kenya*	0800-10
Liberia	797-797
Morocco■	002-11-0011
Sierra Leone	1100
South Africa	0-800-99-0123
Zambia◆	00-899
Zimbabwe†	110-899

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Brazil	000-8010
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